

UNIFIED SCHOOL DISTRICT NO. 349
Stafford, Kansas 67578

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

For the Fiscal Year Ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 349
Stafford, Kansas 67578

FINANCIAL STATEMENT
For the Year Ended June 30, 2014

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Board of Education
Unified School District No. 349
Stafford, Kansas 67578

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 349, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1.C of the financial statement, the financial statement is prepared by the to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1.C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.



Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The graphs are also presented as supplementary information and are not a required part of the basic financial statement. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 Audits of States, Local Governments and Non-Profit Organizations and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.C.

Prior Year Comparative

The 2013 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated February 27, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2015, on our consideration of the 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 's internal control over financial reporting and compliance.

Agler & Gaeddert, Chartered

Agler & Gaeddert, Chartered
February 27, 2015

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
General Funds:		
General Fund	\$ 4,999.72	\$ 0.00
Supplemental General Fund	24,242.86	0.00
Special Purpose Funds:		
At-Risk Fund	246,575.50	0.00
Bilingual Education Fund	2,000.00	0.00
Capital Outlay Fund	1,149,387.15	0.00
Driver Training Fund	33,978.07	0.00
Food Service Fund	87,537.92	0.00
Professional Development Fund	57,115.69	0.00
Parent Education Program Fund	21,511.94	0.00
Special Education Fund	822,479.55	0.00
Vocational Education Fund	948,770.29	0.00
Gifts and Grants Fund	10,882.41	0.00
KPERS Special Retirement Fund	0.00	0.00
Contingency Reserve Fund	100,424.53	0.00
Textbook Rental Fund	92,044.60	0.00
Recreation Commission Fund	1,994.99	0.00
Recreation Commission Employee Benefit Fund	0.00	0.00
Title I Fund	0.00	0.00
Title II Fund	390.00	0.00
Title III REAP Program Fund	0.00	0.00
21st Century Fund	2,002.06	0.00
21st Century Supplemental Grant Fund	51,444.94	0.00
Career and Tech Ed Fund	0.00	0.00
KDHE Bullying Prevention Fund	4,173.00	0.00
District Activity Funds	21,960.99	0.00
Bond and Interest Funds:		
Bond and Interest Fund	547,523.51	0.00
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,231,439.72</u>	<u>0.00</u>

Composition of Cash:

The notes to the financial statement are an integral part of this statement.

				Statement 1
Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
\$ 2,600,098.15	\$ 2,601,140.62	\$ 3,957.25	\$ 12,900.00	\$ 16,857.25
807,976.50	772,262.00	59,957.36	0.00	59,957.36
425,000.00	336,209.00	335,366.50	0.00	335,366.50
30,000.00	9,979.00	22,021.00	0.00	22,021.00
490,446.48	1,211,276.08	428,557.55	0.00	428,557.55
2,335.00	4,369.98	31,943.09	0.00	31,943.09
270,667.90	257,308.08	100,897.74	0.00	100,897.74
10,000.00	4,656.03	62,459.66	0.00	62,459.66
74,033.00	54,835.00	40,709.94	0.00	40,709.94
431,044.55	379,866.20	873,657.90	0.00	873,657.90
355,341.26	249,963.48	1,054,148.07	0.00	1,054,148.07
24,500.00	8,154.43	27,227.98	0.00	27,227.98
172,242.65	172,242.65	0.00	0.00	0.00
102,869.51	0.00	203,294.04	0.00	203,294.04
5,844.00	1,807.69	96,080.91	0.00	96,080.91
82,433.82	77,652.00	6,776.81	0.00	6,776.81
19.43	0.00	19.43	0.00	19.43
75,579.00	75,579.00	0.00	0.00	0.00
16,872.00	16,872.00	390.00	0.00	390.00
8,745.00	8,745.00	0.00	0.00	0.00
90,730.00	82,961.67	9,770.39	0.00	9,770.39
0.00	51,444.94	0.00	0.00	0.00
75,000.00	75,000.00	0.00	0.00	0.00
0.00	995.85	3,177.15	0.00	3,177.15
121,994.25	119,928.54	24,026.70	0.00	24,026.70
<u>275,755.40</u>	<u>300,312.50</u>	<u>522,966.41</u>	<u>0.00</u>	<u>522,966.41</u>
<u>\$ 6,549,527.90</u>	<u>\$ 6,873,561.74</u>	<u>\$ 3,907,405.88</u>	<u>\$ 12,900.00</u>	<u>\$ 3,920,305.88</u>
NOW Accounts				\$ 2,330,831.47
Certificates of Deposit				<u>1,636,969.29</u>
Total Cash				3,967,800.76
Agency Funds per Schedule 3				<u>(47,494.88)</u>
Total Reporting Entity (Excluding Agency Funds)				<u>\$ 3,920,305.88</u>

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Unified School District No. 349, Stafford, Kansas (District) is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 349 (the municipality) and does not include any of its related municipal entities.

B. REGULATORY BASIS FUND TYPES

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Agency fund - funds used to report assets held by the municipality in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available. Cash and investments consist of interest bearing checking accounts and certificates of deposit. Earnings from these investments are allocated to designated funds. Cash and investments are stated at cost.

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

E. AD VALOREM TAX REVENUE

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurer at designated times throughout the year.

F. REIMBURSED EXPENSES

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

G. USE OF ESTIMATES

The preparation of the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results may differ from those estimates.

Note 2 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 2 - BUDGETARY INFORMATION (Cont'd.)

Adjustment to Comply with Legal Max: Districts should use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits: District may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, reimbursements, gifts and donations and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Gifts and Grants Fund	21st Century Fund
Contingency Reserve Fund	21st Century Supplemental Grant Fund
Textbook Rental Fund	Career and Tech Ed Fund
Title I Fund	KDHE Bullying Prevention Fund
Title II Fund	District Activity Funds
Title III REAP Program Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 3 - COMPLIANCE WITH KANSAS STATUTES

Management is aware of no statutory violations for the period covered by the audit.

Note 4 - DEPOSITS

K.S.A. 9-1401 established the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC Coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 4 - DEPOSITS (Cont'd.)

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance, bank guarantee bonds, or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All deposits were legally secured at June 30, 2014.

At June 30, 2014 the District's carrying amount of deposits was \$3,967,800.76 and the bank balance was \$4,071,431.28. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,092.00 was covered by federal depository insurance, and \$3,821,339.28 was collateralized with securities held by the pledging financial institution's agents in the District's name.

The District has \$5,012 invested in federated Government Obligations as of June 30, 2014. These funds are seeting in an escrow account and were used in October 2014 to pay off a lease.

Note 5 - IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$169,883.00 (\$159,912.00 in General and \$9,971.00 in Supplemental General) subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

Note 6 - SUMMARY OF INDEBTEDNESS

The District is subject to the statutes of the State of Kansas that limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible taxable property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2014, the statutory limit for the District was \$2,780,029.70. The outstanding bond principal represents 6.08% of the District valuation.

Note 7 - LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2014 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General obligation bonds:				
Refunding Series 2011	2.50%	6/01/2011	\$ 1,415,000.00	9/01/2016
Capital leases payable:				
HVAC System	2.60%	5/01/2013	555,312.00	5/01/2017

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 7 - LONG-TERM DEBT (Cont'd.)

Changes in long-term liabilities for the District for the year ended June 30, 2014 were as follows:

	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:					
Refunding Series 2011	\$ 1,150,000.00	\$ 0.00	\$ 275,000.00	\$ 875,000.00	\$ 25,312.50
Capital leases payable:					
HVAC System	<u>439,556.96</u>	<u>0.00</u>	<u>106,367.88</u>	<u>333,189.08</u>	<u>10,590.34</u>
Total contractual indebted	<u>\$ 1,589,556.96</u>	<u>\$ 0.00</u>	<u>\$ 381,367.88</u>	<u>\$ 1,208,189.08</u>	<u>\$ 35,902.84</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	06/30/2015	06/30/2016	06/30/2017	Total
Principal:				
General obligation bonds	\$ 285,000.00	\$ 295,000.00	\$ 295,000.00	\$ 875,000.00
Capital leases payable	<u>108,191.32</u>	<u>111,525.55</u>	<u>113,472.21</u>	<u>333,189.08</u>
Total principal	<u>393,191.32</u>	<u>406,525.55</u>	<u>408,472.21</u>	<u>1,208,189.08</u>
Interest:				
General obligation bonds	18,312.50	11,062.50	3,687.50	33,062.50
Capital leases payable	<u>8,766.90</u>	<u>5,432.67</u>	<u>3,486.01</u>	<u>17,685.58</u>
Total interest	<u>27,079.40</u>	<u>16,495.17</u>	<u>7,173.51</u>	<u>50,748.08</u>
Total principal and interest	<u>\$ 420,270.72</u>	<u>\$ 423,020.72</u>	<u>\$ 415,645.72</u>	<u>\$ 1,258,937.16</u>

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 8 - INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk	K.S.A. 72-6428	\$ 160,738.00
General	Bilingual Education	K.S.A. 72-6428	20,000.00
General	Food Service	K.S.A. 72-6428	20,000.00
General	Professional Development	K.S.A. 72-6428	10,000.00
General	Parent Education	K.S.A. 72-6428	20,000.00
General	Special Education	K.S.A. 72-6428	293,044.55
General	Contingency Reserve	K.S.A. 72-6428	102,869.51
Supplemental General	At-Risk	K.S.A. 72-6433	264,262.00
Supplemental General	Bilingual Education	K.S.A. 72-6433	10,000.00
Supplemental General	Food Service	K.S.A. 72-6433	90,000.00
Supplemental General	Parent Education	K.S.A. 72-6433	10,000.00
Supplemental General	Special Education	K.S.A. 72-6433	138,000.00
Supplemental General	Vocational Education	K.S.A. 72-6433	260,000.00

Note 9 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits . As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences . Employees who are on a 12 month contract will be entitled to two-weeks vacation with regular wages after one full year of employment and three-weeks vacation after ten full years of employment. Vacation leave that is not used by the end of each contract year shall be lost, therefore, there is no liability for unused vacation time as of June 30, 2014.

Teachers will be granted ten days sick leave at the beginning of each school year. All sick leave which is not used by the employee will be allowed to accumulate until fifty days plus the contract year's ten days are accumulated. A certification of incapacity to teach may be required after five consecutive days of sick leave. A maximum of fifty days sick leave can be transferred from one year to the next. At the end of each contract year, all days in excess of the fifty (50) days for each qualified individual, will be paid to the eligible teacher at the rate of \$50.00 per day. This shall be paid at the end of the teaching year or in the June paycheck. Upon retirement, an employee who has been in continuous service with the District will receive reimbursement for unused sick leave up to a maximum of fifty days. Unused sick leave will be reimbursed at varying rates based on the number of years the employee has been with the District. The potential liability for unused sick leave as of June 30, 2014 and 2013 is \$825.00 and \$720.00, respectively, which is a net change of \$105.00.

Teachers will be granted three days of personal leave each year which cannot accumulate. At the end of each contract year, all unused days will be reimbursed to the eligible teacher at varying rates. This shall be paid at the end of the teaching year or in the June paycheck, therefore, there is no liability for unused personal leave as of June 30, 2014.

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 10 - DEFINED BENEFIT PENSION PLAN

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 7-4901, etc. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% from July 1 through December 31, 2013 and 5% from January 1 through June 30, 2014 of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employee's contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Note 11 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; thefts of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other school districts in the State to participate in KASB Risk Management Services, Inc., a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to KASB Risk Management Services, Inc. for its workers compensation insurance. The agreement to participate provides that the KASB Risk Management Services, Inc. will be self-sustaining through member premiums and will reinsure through commercial companies for excess claims for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KASB Risk Management Services, Inc.'s management.

The District continues to carry commercial insurance for all other risks of loss, including equipment, property and building coverage. There have been no significant reductions in coverage from the prior year and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12 - LEASE COMMITMENTS

Operating Leases:

The District has entered into operating leases for the district office and school copiers which contain cancellation provisions and are subject to annual appropriations. For the year ended June 30, 2014 rent expenditures were \$6,360.54. These expenditures were made from the General Fund.

The District has entered into an operating lease with the Stafford VFW for a building for wrestling which contains cancellation provisions and is subject to annual appropriations. For the year ended June 30, 2014 rent expenditures were \$3,464.47. These expenditures were made from the General Fund.

UNIFIED SCHOOL DISTRICT NO. 349
NOTES TO THE FINANCIAL STATEMENT
June 30, 2014

Note 13 - ACTIVITY FUNDS

During the year the District had deposits from one of its activity funds which were missing or incomplete. The District Office is in the process of determining the amount and correcting procedures to keep this from occurring in the future.

Note 14 - RELATED PARTY TRANSACTIONS

The District reimbursed Minnis Chapel, which is owned by a board member, for utilities used by the Charter School. The amount reimbursed during the year was \$3,469.00.

Note 15 - SUBSEQUENT EVENTS

The District has evaluated events subsequent to year end through September 15, 2014, and does not believe any events have occurred which effect the financial statement as presented.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Schedule 1	
	Certified Budget	Adjustment to Comply with Legal Max
General Funds:		
General Fund	\$ 2,388,387.00	\$ (121,664.00)
Supplemental General Fund	813,078.00	(40,816.00)
Special Purpose Funds:		
At-Risk Fund	336,209.00	XXXXXXXXXX
Bilingual Education Fund	9,979.00	XXXXXXXXXX
Capital Outlay Fund	1,389,199.00	XXXXXXXXXX
Driver Training Fund	22,500.00	XXXXXXXXXX
Food Service Fund	358,078.00	XXXXXXXXXX
Professional Development Fund	78,116.00	XXXXXXXXXX
Parent Education Program Fund	54,835.00	XXXXXXXXXX
Special Education Fund	1,236,068.00	XXXXXXXXXX
Vocational Education Fund	1,215,820.00	XXXXXXXXXX
KPERS Special Retirement Fund	180,150.00	XXXXXXXXXX
Recreation Commission Fund	77,652.00	XXXXXXXXXX
Recreation Commission Employee Benefit Fund	0.00	XXXXXXXXXX
Bond and Interest Funds:		
Bond and Interest Fund	300,313.00	XXXXXXXXXX

See Independent Auditor's Report.

<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 334,417.62	\$ 2,601,140.62	\$ 2,601,140.62	\$ 0.00
0.00	772,262.00	772,262.00	0.00
0.00	336,209.00	336,209.00	0.00
0.00	9,979.00	9,979.00	0.00
0.00	1,389,199.00	1,211,276.08	(177,922.92)
0.00	22,500.00	4,369.98	(18,130.02)
0.00	358,078.00	257,308.08	(100,769.92)
0.00	78,116.00	4,656.03	(73,459.97)
0.00	54,835.00	54,835.00	0.00
0.00	1,236,068.00	379,866.20	(856,201.80)
0.00	1,215,820.00	249,963.48	(965,856.52)
0.00	180,150.00	172,242.65	(7,907.35)
0.00	77,652.00	77,652.00	0.00
0.00	0.00	0.00	0.00
0.00	300,313.00	300,312.50	(0.50)

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2a

	Prior Year	Current Year		Variance
	Actual	Actual	Budget	Over (Under)
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 350,726.08	\$ 352,593.42	\$ 344,968.00	\$ 7,625.42
Delinquent Tax	3,005.70	3,906.44	1,810.00	2,096.44
Mineral Production Tax	5,675.93	6,601.67	0.00	6,601.67
Local Sources:				
Reimbursements	319,482.03	334,417.62	0.00	334,417.62
State Aid:				
Equalization Aid	1,671,372.00	1,620,232.00	1,729,601.00	(109,369.00)
Special Education Aid	298,897.00	282,347.00	312,008.00	(29,661.00)
Total Receipts	2,649,158.74	2,600,098.15	\$ 2,388,387.00	\$ 211,711.15
Expenditures				
Instruction:				
Salaries	454,392.57	458,477.56	479,495.00	(21,017.44)
Employee Benefits	82,351.98	89,903.37	133,320.00	(43,416.63)
Purchased Professional Services	25,274.15	25,980.41	40,000.00	(14,019.59)
Other Purchased Services	205,898.99	189,962.96	0.00	189,962.96
Supplies	127,784.54	93,524.19	222,675.00	(129,150.81)
Other	2,336.68	3,124.48	5,000.00	(1,875.52)
Student Support Services:				
Salaries	101,466.50	74,148.36	77,600.00	(3,451.64)
Employee Benefits	11,756.20	10,667.14	22,000.00	(11,332.86)
Purchased Professional Services	60.00	0.00	5,000.00	(5,000.00)
Supplies	523.20	284.83	4,000.00	(3,715.17)
Other	23.16	0.00	500.00	(500.00)
Instructional Support Staff:				
Salaries	40,397.29	34,237.54	52,500.00	(18,262.46)
Employee Benefits	7,378.96	7,724.70	16,000.00	(8,275.30)
Supplies	3,401.44	2,672.29	5,000.00	(2,327.71)
Property (Equip & Furn)	0.00	0.00	500.00	(500.00)
Other	0.00	6.47	100.00	(93.53)
General Administration:				
Salaries	84,234.62	79,864.00	99,000.00	(19,136.00)
Employee Benefits	10,954.23	10,881.00	16,000.00	(5,119.00)
Purchased Professional Services	31,473.00	32,101.85	37,000.00	(4,898.15)
Other Purchased Services	854.00	992.00	2,500.00	(1,508.00)
Supplies	3,187.60	5,062.19	8,000.00	(2,937.81)
Property (Equip & Furn)	0.00	0.00	7,000.00	(7,000.00)
Other	1,584.24	2,235.89	5,000.00	(2,764.11)

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2a

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd.)				
School Administration:				
Salaries	185,976.02	180,080.37	199,000.00	(18,919.63)
Employee Benefits	26,551.02	31,554.01	29,000.00	2,554.01
Other Purchased Services	14,345.68	15,307.73	23,000.00	(7,692.27)
Supplies	4,390.99	2,643.39	6,000.00	(3,356.61)
Property (Equip & Furn)	0.00	0.00	500.00	(500.00)
Other	300.00	670.65	1,500.00	(829.35)
Operations & Maintenance:				
Salaries	83,403.79	73,732.15	96,000.00	(22,267.85)
Employee Benefits	23,574.30	22,977.09	27,500.00	(4,522.91)
Purchased Professional Services	7,695.89	13,507.12	12,000.00	1,507.12
Purchased Property Services	6,148.77	6,907.65	26,500.00	(19,592.35)
Other Purchased Services	27,197.15	40,058.44	35,000.00	5,058.44
Supplies	18,521.15	13,733.36	30,000.00	(16,266.64)
Heating	19,917.55	19,390.62	50,000.00	(30,609.38)
Electricity	48,497.31	56,606.20	66,000.00	(9,393.80)
Property (Equip & Furn)	0.00	2,113.43	0.00	2,113.43
Transportation Supervision:				
Salaries	15,549.44	11,211.89	23,489.00	(12,277.11)
Employee Benefits	1,379.46	4,400.25	2,000.00	2,400.25
Vehicle Operating Services:				
Salaries	24,216.71	5,839.86	39,000.00	(33,160.14)
Employee Benefits	6,970.83	7,189.51	9,500.00	(2,310.49)
Insurance	5,067.00	6,432.00	10,000.00	(3,568.00)
Motor Fuel	27,504.69	19,756.40	66,000.00	(46,243.60)
Other	1,103.39	1,072.33	4,000.00	(2,927.67)
Vehicle & Maintenance Services:				
Purchased Property Services	4,749.78	3,632.91	10,000.00	(6,367.09)
Equipment	4,174.48	5,605.60	15,000.00	(9,394.40)
Other Supplemental Services:				
Salaries	45,720.62	56,883.00	51,000.00	5,883.00
Employee Benefits	207,957.34	251,331.37	6,200.00	245,131.37

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2a

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (Cont'd.)				
Operating Transfers:				
To At-Risk	185,000.00	160,738.00	0.00	160,738.00
To Bilingual Education	12,000.00	20,000.00	0.00	20,000.00
To Food Service	0.00	20,000.00	0.00	20,000.00
To Professional Development	0.00	10,000.00	0.00	10,000.00
To Parent Education	20,000.00	20,000.00	0.00	20,000.00
To Special Education	380,912.32	293,044.55	312,008.00	(18,963.45)
To Contingency Reserve	40,000.00	102,869.51	0.00	102,869.51
Adjustment to Comply with Legal Max	0.00	0.00	(121,664.00)	121,664.00
Legal General Fund Budget	2,644,159.03	2,601,140.62	2,266,723.00	334,417.62
Adjustment for Qualifying Budget Credits			334,417.62	(334,417.62)
Total Expenditures	<u>2,644,159.03</u>	<u>2,601,140.62</u>	<u>\$ 2,601,140.62</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	4,999.71	(1,042.47)		
Unencumbered Cash, Beginning	(186,732.99)	4,999.72		
Beginning Cash Adjustment	<u>186,733.00</u>	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 4,999.72</u>	<u>\$ 3,957.25</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
SUPPLEMENTAL GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2b

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 478,062.44	\$ 556,693.37	\$ 520,344.00	\$ 36,349.37
Delinquent Tax	7,162.77	8,401.12	2,513.00	5,888.12
Motor Veh./16-20M Veh. Tax	38,533.95	44,395.48	32,792.00	11,603.48
Recreational Vehicle Tax	738.02	680.53	644.00	36.53
US Wildlife	34.00	0.00	0.00	0.00
State Aid:				
Equalization Aid	230,193.00	197,806.00	204,847.00	(7,041.00)
Total Receipts	754,724.18	807,976.50	\$ 761,140.00	\$ 46,836.50
Expenditures				
Instruction:				
Other Purchased Services	0.00	0.00	300,000.00	(300,000.00)
Supplies	0.00	0.00	100,000.00	(100,000.00)
General Administration:				
Purchased Professional Services	0.00	0.00	5,729.00	(5,729.00)
Operating Transfers:				
To At-Risk	264,000.00	264,262.00	90,000.00	174,262.00
To Bilingual Education	0.00	10,000.00	10,000.00	0.00
To Food Service	86,000.00	90,000.00	90,000.00	0.00
To Professional Development	0.00	0.00	20,000.00	(20,000.00)
To Parent Education	0.00	10,000.00	0.00	10,000.00
To Special Education	0.00	138,000.00	91,349.00	46,651.00
To Vocational Education	410,000.00	260,000.00	106,000.00	154,000.00
Adjustment to Comply with Legal Max	0.00	0.00	(40,816.00)	40,816.00
Total Expenditures	760,000.00	772,262.00	\$ 772,262.00	\$ 0.00
Receipts Over (Under) Expenditures	(5,275.82)	35,714.50		
Unencumbered Cash, Beginning	13,915.68	24,242.86		
Beginning Cash Adjustment	15,603.00	0.00		
Unencumbered Cash, Ending	\$ 24,242.86	\$ 59,957.36		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
AT-RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2c

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers:				
From General	\$ 185,000.00	\$ 160,738.00	\$ 0.00	\$ 160,738.00
From Supplemental General	264,000.00	264,262.00	90,000.00	174,262.00
Total Receipts	<u>449,000.00</u>	<u>425,000.00</u>	<u>\$ 90,000.00</u>	<u>\$ 335,000.00</u>
Expenditures				
Instruction:				
Salaries	198,400.00	205,894.94	217,700.00	(11,805.06)
Employee Benefits	20,280.00	26,000.00	26,000.00	0.00
Purchased Professional Services	0.00	10,000.00	0.00	10,000.00
Other Purchased Services	30,072.00	42,000.00	42,000.00	0.00
Supplies	20,000.00	40,509.00	40,509.00	0.00
Student Support Services:				
Purchased Professional Services	0.00	0.00	10,000.00	(10,000.00)
Instructional Support Staff:				
Salaries	<u>0.00</u>	<u>11,805.06</u>	<u>0.00</u>	<u>11,805.06</u>
Total Expenditures	<u>268,752.00</u>	<u>336,209.00</u>	<u>\$ 336,209.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	180,248.00	88,791.00		
Unencumbered Cash, Beginning	<u>66,327.50</u>	<u>246,575.50</u>		
Unencumbered Cash, Ending	<u>\$ 246,575.50</u>	<u>\$ 335,366.50</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
BILINGUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2d

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers:				
From General	\$ 12,000.00	\$ 20,000.00	\$ 0.00	\$ 20,000.00
From Supplemental General	0.00	10,000.00	10,000.00	0.00
Total Receipts	<u>12,000.00</u>	<u>30,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 20,000.00</u>
Expenditures				
Instruction:				
Salaries	10,000.00	7,979.00	7,979.00	0.00
Employee Benefits	0.00	2,000.00	2,000.00	0.00
Total Expenditures	<u>10,000.00</u>	<u>9,979.00</u>	<u>\$ 9,979.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	2,000.00	20,021.00		
Unencumbered Cash, Beginning	<u>0.00</u>	<u>2,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 2,000.00</u>	<u>\$ 22,021.00</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2e

	Prior Year Actual	Current Year		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 72,616.33	\$ 74,313.66	\$ 72,480.00	\$ 1,833.66
Delinquent Tax	818.47	1,036.07	382.00	654.07
Motor Veh./16-20M Veh. Tax	5,219.80	5,469.35	4,142.00	1,327.35
Recreational Vehicle Tax	109.72	85.88	81.00	4.88
US Wildlife	17,258.54	0.00	0.00	0.00
Local Sources:				
Interest on Idle Funds	10,880.34	9,768.41	50,000.00	(40,231.59)
Other Receipts from Local Sources	60,115.21	61,469.98	100,000.00	(38,530.02)
Federal Sources:				
Federal Aid	35,431.87	338,303.13	0.00	338,303.13
Total Receipts	<u>202,450.28</u>	<u>490,446.48</u>	<u>\$ 227,085.00</u>	<u>\$ 263,361.48</u>
Expenditures				
Instruction:				
Property (Equip & Furn)	11,080.60	33,897.16	60,000.00	(26,102.84)
Operations & Maintenance:				
Property (Equip & Furn)	126,172.22	116,958.22	140,000.00	(23,041.78)
Transportation:				
Property (Equip & Buses)	0.00	0.00	210,000.00	(210,000.00)
Facility Acquis. & Constr. Services:				
Architectural & Engineering Serv.	84,638.17	85,350.32	110,000.00	(24,649.68)
New Building Acquis. & Constr.	0.00	780,516.00	820,000.00	(39,484.00)
Building Improvements	1,223.00	0.00	49,199.00	(49,199.00)
Other	0.00	194,554.38	0.00	194,554.38
Total Expenditures	<u>223,113.99</u>	<u>1,211,276.08</u>	<u>\$ 1,389,199.00</u>	<u>\$ (177,922.92)</u>
Receipts Over (Under) Expenditures	(20,663.71)	(720,829.60)		
Unencumbered Cash, Beginning	<u>1,170,050.86</u>	<u>1,149,387.15</u>		
Unencumbered Cash, Ending	<u>\$ 1,149,387.15</u>	<u>\$ 428,557.55</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
 DRIVER TRAINING FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2f

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Local Sources:				
Other Receipts from Local Sources	\$ 1,254.00	\$ 550.00	\$ 0.00	\$ 550.00
State Aid:				
State Safety Aid	2,325.00	1,785.00	2,875.00	(1,090.00)
Total Receipts	3,579.00	2,335.00	\$ 2,875.00	\$ (540.00)
Expenditures				
Instruction:				
Salaries	3,025.00	3,168.00	15,000.00	(11,832.00)
Employee Benefits	263.59	270.48	1,500.00	(1,229.52)
Supplies	0.00	50.00	0.00	50.00
Property (Equip & Furn)	0.00	550.50	1,000.00	(449.50)
Vehicle Oper. & Maint. Services:				
Insurance	225.00	331.00	1,000.00	(669.00)
Motor Fuel	495.54	0.00	4,000.00	(4,000.00)
Total Expenditures	4,009.13	4,369.98	\$ 22,500.00	\$ (18,130.02)
Receipts Over (Under) Expenditures	(430.13)	(2,034.98)		
Unencumbered Cash, Beginning	34,408.20	33,978.07		
Unencumbered Cash, Ending	\$ 33,978.07	\$ 31,943.09		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
FOOD SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2g

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Local Sources:				
Interest on Idle Funds	\$ 0.00	\$ 0.00	\$ 20,000.00	\$ (20,000.00)
Food Sales	36,507.70	33,385.40	51,664.00	(18,278.60)
Miscellaneous	3,709.19	236.90	0.00	236.90
State Aid:				
State Food Assistance	1,494.66	1,517.65	1,558.00	(40.35)
Federal Aid:				
Child Nutrition Program	115,158.15	125,527.95	107,319.00	18,208.95
Operating Transfers:				
From General	0.00	20,000.00	0.00	20,000.00
From Supplemental General	86,000.00	90,000.00	90,000.00	0.00
Total Receipts	<u>242,869.70</u>	<u>270,667.90</u>	<u>\$ 270,541.00</u>	<u>\$ 126.90</u>
Expenditures				
Operations & Maintenance:				
Salaries	4,440.00	4,600.00	4,600.00	0.00
Employee Benefits	851.30	356.50	1,005.00	(648.50)
Purchased Property Services	1,856.24	1,687.82	4,850.00	(3,162.18)
Heating	894.18	824.49	4,423.00	(3,598.51)
Electricity	8,685.65	18,808.90	20,000.00	(1,191.10)
Food Service Operation:				
Salaries	79,822.57	79,469.29	120,000.00	(40,530.71)
Employee Benefits	23,690.29	27,714.89	30,700.00	(2,985.11)
Food & Supplies	108,091.09	115,120.42	155,000.00	(39,879.58)
Property (Equip & Furn)	8,872.51	7,971.22	15,000.00	(7,028.78)
Other	1,677.37	754.55	2,500.00	(1,745.45)
Total Expenditures	<u>238,881.20</u>	<u>257,308.08</u>	<u>\$ 358,078.00</u>	<u>\$ (100,769.92)</u>
Receipts Over (Under) Expenditures	3,988.50	13,359.82		
Unencumbered Cash, Beginning	<u>83,549.42</u>	<u>87,537.92</u>		
Unencumbered Cash, Ending	<u>\$ 87,537.92</u>	<u>\$ 100,897.74</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2h

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Local Sources:				
Other Receipts from Local Sources	\$ 0.00	\$ 0.00	\$ 1,000.00	\$ (1,000.00)
Operating Transfers:				
From General	0.00	10,000.00	0.00	10,000.00
From Supplemental General	0.00	0.00	20,000.00	(20,000.00)
Total Receipts	0.00	10,000.00	\$ 21,000.00	\$ (11,000.00)
Expenditures				
Instructional Support Staff:				
Salaries	1,396.00	1,396.00	5,500.00	(4,104.00)
Purchased Professional Services	6,136.00	2,193.00	50,000.00	(47,807.00)
Supplies	171.23	67.75	4,000.00	(3,932.25)
Other	911.89	999.28	18,616.00	(17,616.72)
Total Expenditures	8,615.12	4,656.03	\$ 78,116.00	\$ (73,459.97)
Receipts Over (Under) Expenditures	(8,615.12)	5,343.97		
Unencumbered Cash, Beginning	65,730.81	57,115.69		
Unencumbered Cash, Ending	\$ 57,115.69	\$ 62,459.66		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
PARENT EDUCATION PROGRAM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2i

	Prior Year	Current Year		Variance
	Actual	Actual	Budget	Over (Under)
Receipts				
Local Sources:				
Other Receipts from Local Sources	\$ 10,344.00	\$ 10,801.00	\$ 10,801.00	\$ 0.00
State Aid:				
Parent Education Aid	31,829.00	33,232.00	33,232.00	0.00
Operating Transfers:				
From General	20,000.00	20,000.00	0.00	20,000.00
From Supplemental General	0.00	10,000.00	0.00	10,000.00
Total Receipts	<u>62,173.00</u>	<u>74,033.00</u>	<u>\$ 44,033.00</u>	<u>\$ 30,000.00</u>
Expenditures				
Student Support Services:				
Salaries	0.00	10,797.38	42,026.00	(31,228.62)
Employee Benefits	0.00	2,049.06	7,098.00	(5,048.94)
Purchased Professional Services	80.00	0.00	1,500.00	(1,500.00)
Other Purchased Services	2,446.55	0.00	1,600.00	(1,600.00)
Supplies	1,864.25	0.00	461.00	(461.00)
Property (Equip & Furn)	3,905.44	0.00	2,000.00	(2,000.00)
Instructional Support Staff:				
Salaries	37,688.43	25,204.58	0.00	25,204.58
Employee Benefits	6,532.33	4,217.11	0.00	4,217.11
Purchased Professional Services	0.00	1,545.00	150.00	1,395.00
Other Purchased Services	0.00	5,043.17	0.00	5,043.17
Supplies	0.00	3,960.70	0.00	3,960.70
Property (Equip & Furn)	0.00	2,018.00	0.00	2,018.00
Total Expenditures	<u>52,517.00</u>	<u>54,835.00</u>	<u>\$ 54,835.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	9,656.00	19,198.00		
Unencumbered Cash, Beginning	<u>11,855.94</u>	<u>21,511.94</u>		
Unencumbered Cash, Ending	<u>\$ 21,511.94</u>	<u>\$ 40,709.94</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2j

	Prior Year Actual	Current Year		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Local Sources:				
Other Receipts from Local Sources	\$ 0.00	\$ 0.00	\$ 10,000.00	\$ (10,000.00)
Operating Transfers:				
From General	380,912.32	293,044.55	312,008.00	(18,963.45)
From Supplemental General	0.00	138,000.00	91,349.00	46,651.00
Total Receipts	<u>380,912.32</u>	<u>431,044.55</u>	<u>\$ 413,357.00</u>	<u>\$ 17,687.55</u>
Expenditures				
Instruction:				
Other Purchased Services				
Assessments	88,393.14	93,869.95	220,000.00	(126,130.05)
Flow-thru	247,707.00	223,875.00	400,000.00	(176,125.00)
Student Support Services:				
Salaries	16,937.91	17,543.97	39,399.00	(21,855.03)
Employee Benefits	1,475.64	1,537.28	60,000.00	(58,462.72)
Vehicle Operating Services:				
Salaries	17,327.35	22,135.50	70,000.00	(47,864.50)
Employee Benefits	3,076.07	2,864.50	10,707.00	(7,842.50)
Other Purchased Services	1,577.00	1,276.00	10,000.00	(8,724.00)
Supplies	9,543.40	8,750.99	50,000.00	(41,249.01)
Equipment (Including Buses)	0.00	0.00	250,000.00	(250,000.00)
Vehicle & Maintenance Services:				
Purchased Property Services	1,485.30	6,264.87	55,000.00	(48,735.13)
Property (Equip & Furn)	856.30	1,748.14	70,962.00	(69,213.86)
Total Expenditures	<u>388,379.11</u>	<u>379,866.20</u>	<u>\$ 1,236,068.00</u>	<u>\$ (856,201.80)</u>
Receipts Over (Under) Expenditures	(7,466.79)	51,178.35		
Unencumbered Cash, Beginning	<u>829,946.34</u>	<u>822,479.55</u>		
Unencumbered Cash, Ending	<u>\$ 822,479.55</u>	<u>\$ 873,657.90</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
VOCATIONAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2k

	Prior Year	Current Year		Variance
	Actual	Actual	Budget	Over (Under)
Receipts				
Local Sources:				
Other Receipts from Local Sources	\$ 2,293.00	\$ 88,941.26	\$ 160,000.00	\$ (71,058.74)
State Aid:				
Transportation State Aid	9,469.00	6,400.00	1,050.00	5,350.00
Operating Transfers:				
From Supplemental General	410,000.00	260,000.00	106,000.00	154,000.00
Total Receipts	421,762.00	355,341.26	\$ 267,050.00	\$ 88,291.26
Expenditures				
Instruction:				
Salaries	153,647.51	151,084.51	310,000.00	(158,915.49)
Employee Benefits	23,426.76	22,774.14	60,000.00	(37,225.86)
Purchased Professional Services	0.00	0.00	80,000.00	(80,000.00)
Supplies	33,227.41	28,335.64	551,000.00	(522,664.36)
Property (Equip & Furn)	4,508.47	11,855.28	150,000.00	(138,144.72)
Other	1,667.07	1,961.97	20,000.00	(18,038.03)
Operations & Maintenance:				
Salaries	5,100.00	20,000.00	20,000.00	0.00
Employee Benefits	977.82	3,908.69	3,500.00	408.69
Other Supplemental Services:				
Salaries	9,469.00	10,043.25	21,320.00	(11,276.75)
Total Expenditures	232,024.04	249,963.48	\$ 1,215,820.00	\$ (965,856.52)
Receipts Over (Under) Expenditures	189,737.96	105,377.78		
Unencumbered Cash, Beginning	759,032.33	948,770.29		
Unencumbered Cash, Ending	\$ 948,770.29	\$ 1,054,148.07		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
 GIFTS AND GRANTS FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 21</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Local Sources:		
Other Receipts from Local Sources	\$ 0.00	\$ 24,500.00
Total Receipts	<u>0.00</u>	<u>24,500.00</u>
Expenditures		
Instruction:		
Purchased Professional Services	0.00	1,175.00
Supplies	63.98	676.16
Other Grant Expenses	<u>654.83</u>	<u>6,303.27</u>
Total Expenditures	<u>718.81</u>	<u>8,154.43</u>
Receipts Over (Under) Expenditures	(718.81)	16,345.57
Unencumbered Cash, Beginning	<u>11,601.22</u>	<u>10,882.41</u>
Unencumbered Cash, Ending	<u>\$ 10,882.41</u>	<u>\$ 27,227.98</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
 KPERS SPECIAL RETIREMENT FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2m

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid:				
KPERS	\$ 152,025.48	\$ 172,242.65	\$ 180,150.00	\$ (7,907.35)
Total Receipts	<u>152,025.48</u>	<u>172,242.65</u>	<u>\$ 180,150.00</u>	<u>\$ (7,907.35)</u>
Expenditures				
Instruction:				
Employee Benefits	97,311.48	110,253.65	115,314.00	(5,060.35)
Student Support Services:				
Employee Benefits	8,270.00	9,370.00	9,800.00	(430.00)
Instructional Support Staff:				
Employee Benefits	3,649.00	4,134.00	4,324.00	(190.00)
General Administration:				
Employee Benefits	8,209.00	9,301.00	9,728.00	(427.00)
School Administration:				
Employee Benefits	15,203.00	17,224.00	18,015.00	(791.00)
Other Supplemental Services:				
Employee Benefits	6,081.00	6,890.00	7,206.00	(316.00)
Operations & Maintenance:				
Employee Benefits	7,601.00	8,612.00	9,007.00	(395.00)
Student Transportation Services:				
Employee Benefits	1,900.00	2,153.00	2,252.00	(99.00)
Food Service:				
Employee Benefits	<u>3,801.00</u>	<u>4,305.00</u>	<u>4,504.00</u>	<u>(199.00)</u>
Total Expenditures	<u>152,025.48</u>	<u>172,242.65</u>	<u>\$ 180,150.00</u>	<u>\$ (7,907.35)</u>
Receipts Over (Under) Expenditures	0.00	0.00		
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2n</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Operating Transfers:		
From General	<u>\$ 40,000.00</u>	<u>\$ 102,869.51</u>
Total Receipts	<u>40,000.00</u>	<u>102,869.51</u>
Expenditures		
Instruction:		
Salaries	18,952.50	0.00
Employee Benefits	<u>1,475.73</u>	<u>0.00</u>
Total Expenditures	<u>20,428.23</u>	<u>0.00</u>
Receipts Over (Under) Expenditures	19,571.77	102,869.51
Unencumbered Cash, Beginning	<u>80,852.76</u>	<u>100,424.53</u>
Unencumbered Cash, Ending	<u>\$ 100,424.53</u>	<u>\$ 203,294.04</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
 TEXTBOOK RENTAL FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2a</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Local Sources:		
Rental Fees	\$ 6,891.25	\$ 5,844.00
Total Receipts	<u>6,891.25</u>	<u>5,844.00</u>
Expenditures		
Instruction:		
Supplies	<u>3,070.55</u>	<u>1,807.69</u>
Total Expenditures	<u>3,070.55</u>	<u>1,807.69</u>
Receipts Over (Under) Expenditures	3,820.70	4,036.31
Unencumbered Cash, Beginning	<u>88,223.90</u>	<u>92,044.60</u>
Unencumbered Cash, Ending	<u>\$ 92,044.60</u>	<u>\$ 96,080.91</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
RECREATION COMMISSION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2p

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 73,081.08	\$ 74,314.06	\$ 72,035.00	\$ 2,279.06
Delinquent Tax	1,078.00	1,246.93	384.00	862.93
Motor Veh./16-20M Veh. Tax	6,033.81	6,769.22	4,992.00	1,777.22
Recreational Vehicle Tax	116.66	103.61	98.00	5.61
US Wildlife	5.00	0.00	0.00	0.00
Local Sources:				
Other Receipts from Local Sources	0.00	0.00	1,990.00	(1,990.00)
Total Receipts	<u>80,314.55</u>	<u>82,433.82</u>	<u>\$ 79,499.00</u>	<u>\$ 2,934.82</u>
Expenditures				
Community Service Operations	<u>80,000.00</u>	<u>77,652.00</u>	<u>77,652.00</u>	<u>0.00</u>
Total Expenditures	<u>80,000.00</u>	<u>77,652.00</u>	<u>\$ 77,652.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	314.55	4,781.82		
Unencumbered Cash, Beginning	<u>1,680.44</u>	<u>1,994.99</u>		
Unencumbered Cash, Ending	<u>\$ 1,994.99</u>	<u>\$ 6,776.81</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
RECREATION COMMISSION EMPLOYEE BENEFIT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2q

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Delinquent Tax	\$ 18.07	\$ 19.43	\$ 0.00	\$ 19.43
Local Sources:				
Other Receipts from Local Sources	0.00	0.00	100.00	(100.00)
Total Receipts	18.07	19.43	\$ 100.00	\$ (80.57)
Expenditures				
Community Service Operations	18.07	0.00	0.00	0.00
Total Expenditures	18.07	0.00	\$ 0.00	\$ 0.00
Receipts Over (Under) Expenditures	0.00	19.43		
Unencumbered Cash, Beginning	0.00	0.00		
Unencumbered Cash, Ending	\$ 0.00	\$ 19.43		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
TITLE I FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2r</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Federal Aid:		
Other Federal Grants Thru State	\$ 79,557.00	\$ 75,579.00
Total Receipts	<u>79,557.00</u>	<u>75,579.00</u>
Expenditures		
Instruction:		
Salaries	59,618.26	54,049.41
Employee Benefits	8,056.22	8,594.21
Purchased Professional Services	351.00	1,753.00
Supplies	5,797.29	7,186.38
Property (Equip & Furn)	<u>5,734.23</u>	<u>3,996.00</u>
Total Expenditures	<u>79,557.00</u>	<u>75,579.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
TITLE II FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Schedule 2s	
	2013	2014
Receipts		
Local Sources:		
Other Receipts from Local Sources	\$ 390.00	\$ 0.00
Federal Aid:		
Other Federal Grants Thru State	17,351.00	16,872.00
Total Receipts	17,741.00	16,872.00
Expenditures		
Instruction:		
Purchased Professional Services	6,937.50	8,816.16
Other Purchased Services	1,379.12	961.02
Supplies	7,121.38	5,712.82
Other	1,913.00	1,382.00
Total Expenditures	17,351.00	16,872.00
Receipts Over (Under) Expenditures	390.00	0.00
Unencumbered Cash, Beginning	0.00	390.00
Unencumbered Cash, Ending	\$ 390.00	\$ 390.00

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
TITLE III REAP PROGRAM FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2t</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Federal Aid:		
US Department of Education	<u>\$ 11,844.00</u>	<u>\$ 8,745.00</u>
Total Receipts	<u>11,844.00</u>	<u>8,745.00</u>
Expenditures		
Instruction:		
Supplies	<u>11,844.00</u>	<u>8,745.00</u>
Total Expenditures	<u>11,844.00</u>	<u>8,745.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
21ST CENTURY FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2u</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Local Sources:		
Other Receipts from Local Sources	\$ 1,715.00	\$ 1,140.00
Federal Aid:		
Other Federal Grants Thru State	<u>86,911.00</u>	<u>89,590.00</u>
Total Receipts	<u>88,626.00</u>	<u>90,730.00</u>
Expenditures		
Instruction:		
Salaries	61,422.51	61,625.39
Employee Benefits	5,337.91	5,459.94
Supplies	12,220.64	5,910.03
Other	0.00	126.80
Student Support Services:		
Purchased Professional Services	<u>7,642.88</u>	<u>9,839.51</u>
Total Expenditures	<u>86,623.94</u>	<u>82,961.67</u>
Receipts Over (Under) Expenditures	2,002.06	7,768.33
Unencumbered Cash, Beginning	<u>0.00</u>	<u>2,002.06</u>
Unencumbered Cash, Ending	<u>\$ 2,002.06</u>	<u>\$ 9,770.39</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
21ST CENTURY SUPPLEMENTAL GRANT FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2v</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Federal Aid:		
Other Federal Grants Thru State	<u>\$ 60,500.00</u>	<u>\$ 0.00</u>
Total Receipts	<u>60,500.00</u>	<u>0.00</u>
Expenditures		
Instruction:		
Salaries	0.00	3,200.00
Employee Benefits	0.00	200.00
Supplies	5,166.41	48,044.94
Student Support Services:		
Purchased Professional Services	<u>3,888.65</u>	<u>0.00</u>
Total Expenditures	<u>9,055.06</u>	<u>51,444.94</u>
Receipts Over (Under) Expenditures	51,444.94	(51,444.94)
Unencumbered Cash, Beginning	<u>0.00</u>	<u>51,444.94</u>
Unencumbered Cash, Ending	<u><u>\$ 51,444.94</u></u>	<u><u>\$ 0.00</u></u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
CAREER AND TECH ED FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2w</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
Local Sources:		
Other Receipts from Local Sources	\$ 254.40	\$ 0.00
Federal Aid:		
Other Federal Grants Thru State	<u>75,000.00</u>	<u>75,000.00</u>
Total Receipts	<u>75,254.40</u>	<u>75,000.00</u>
Expenditures		
Instruction:		
Salaries	22,990.00	22,990.00
Other Purchased Services	3,164.04	5,714.69
Supplies	21,619.20	18,188.90
Property (Equip & Furn)	19,043.54	23,283.91
Other	3,750.00	0.00
Instructional Support Staff:		
Purchased Professional Services	<u>4,687.62</u>	<u>4,822.50</u>
Total Expenditures	<u>75,254.40</u>	<u>75,000.00</u>
Receipts Over (Under) Expenditures	0.00	0.00
Unencumbered Cash, Beginning	<u>0.00</u>	<u>0.00</u>
Unencumbered Cash, Ending	<u>\$ 0.00</u>	<u>\$ 0.00</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
KDHE BULLYING PREVENTION FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Schedule 2x</u>	
	<u>2013</u>	<u>2014</u>
Receipts		
State Aid:		
Grant	\$ 3,000.00	\$ 0.00
Total Receipts	<u>3,000.00</u>	<u>0.00</u>
Expenditures		
Instructional Support Staff:		
Purchased Professional Services	177.00	595.00
Supplies	<u>0.00</u>	<u>400.85</u>
Total Expenditures	<u>177.00</u>	<u>995.85</u>
Receipts Over (Under) Expenditures	2,823.00	(995.85)
Unencumbered Cash, Beginning	<u>1,350.00</u>	<u>4,173.00</u>
Unencumbered Cash, Ending	<u><u>\$ 4,173.00</u></u>	<u><u>\$ 3,177.15</u></u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

Schedule 2y

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts:				
Ad Valorem Property Tax	\$ 217,659.98	\$ 200,518.47	\$ 192,510.00	\$ 8,008.47
Delinquent Tax	3,669.35	4,203.48	1,147.00	3,056.48
Motor Veh./16-20M Veh. Tax	22,984.88	20,371.93	15,026.00	5,345.93
Recreational Vehicle Tax	448.63	311.52	295.00	16.52
US Wildlife	22.00	0.00	0.00	0.00
State Aid:				
State Aid	53,471.00	50,350.00	48,600.00	1,750.00
Total Receipts	<u>298,255.84</u>	<u>275,755.40</u>	<u>\$ 257,578.00</u>	<u>\$ 18,177.40</u>
Expenditures				
Interest	32,062.50	25,312.50	25,313.00	(0.50)
Principal	<u>265,000.00</u>	<u>275,000.00</u>	<u>275,000.00</u>	<u>0.00</u>
Total Expenditures	<u>297,062.50</u>	<u>300,312.50</u>	<u>\$ 300,313.00</u>	<u>\$ (0.50)</u>
Receipts Over (Under) Expenditures	1,193.34	(24,557.10)		
Unencumbered Cash, Beginning	<u>546,330.17</u>	<u>547,523.51</u>		
Unencumbered Cash, Ending	<u>\$ 547,523.51</u>	<u>\$ 522,966.41</u>		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
 AGENCY FUNDS
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended June 30, 2014

				Schedule 3
Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Stafford Middle/High School:				
Class of 2013	\$ 518.19	\$ 0.00	\$ 0.00	\$ 518.19
Class of 2014	3,015.37	990.38	3,564.15	441.60
Class of 2015	4,760.85	3,411.49	6,466.87	1,705.47
Class of 2016	1,661.91	1,734.21	259.66	3,136.46
Class of 2017	0.00	1,263.90	0.00	1,263.90
Tech Club	2,183.85	158.00	207.00	2,134.85
Charter School	24,942.52	23,876.65	24,326.55	24,492.62
Cheerleaders-HS	654.39	855.76	856.29	653.86
Cheerleaders-MS	1,034.27	3,935.66	2,665.16	2,304.77
FFA	6,605.72	4,859.10	6,571.87	4,892.95
FCCLA	576.44	250.65	0.00	827.09
Music Club	1,772.17	3,594.83	4,390.96	976.04
STUCO-HS	3,417.78	4,914.62	6,430.41	1,901.99
History Club	193.95	421.30	228.25	387.00
National Honor Society	734.28	615.85	582.83	767.30
Training to Lead	0.00	795.00	68.00	727.00
Total Stafford Middle/High School	<u>52,071.69</u>	<u>51,677.40</u>	<u>56,618.00</u>	<u>47,131.09</u>
Stafford Elementary School:				
STUCO-MS	<u>676.84</u>	<u>352.75</u>	<u>665.80</u>	<u>363.79</u>
Total Stafford Elementary School	<u>676.84</u>	<u>352.75</u>	<u>665.80</u>	<u>363.79</u>
Total Agency Funds	<u>\$ 52,748.53</u>	<u>\$ 52,030.15</u>	<u>\$ 57,283.80</u>	<u>\$ 47,494.88</u>

See Independent Auditor's Report

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts
Stafford Middle/High School:			
Athletics	\$ 5,686.61	\$ 0.00	\$ 27,539.81
Concessions	0.00	0.00	18,611.40
Industrial Arts	1,431.63	0.00	619.33
Vocational Agriculture	978.55	0.00	64.25
Home Economics RA	0.00	0.00	192.75
Interest	10.23	0.00	153.09
Sales Tax	44.27	0.00	3,131.22
Forensics	1,396.31	0.00	486.31
Graduate Gift to School	443.94	0.00	0.00
Staff Pop/Student Award	49.21	0.00	0.00
Scholars Bowl Tournament	215.46	0.00	0.00
HS Scholars Bowl	0.00	0.00	104.80
MS Scholars Bowl	0.00	0.00	133.00
Fees	0.00	0.00	9,676.33
Petty cash	0.00	0.00	2,753.65
Drama	1,282.23	0.00	0.00
Library	25.00	0.00	0.00
Technology Prep	3,498.04	0.00	15.00
Grant Account	1,500.00	0.00	562.93
Golden Belt Comm. Foundation Grant	0.00	0.00	300.00
Yearbook	0.00	0.00	7,754.21
Total Stafford Middle/High School	16,561.48	0.00	72,098.08

See Independent Auditor's Report.

			Schedule 4	
<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>	
\$ 27,492.01	\$ 5,734.41	\$ 0.00	\$ 5,734.41	
18,611.40	0.00	0.00	0.00	
443.75	1,607.21	0.00	1,607.21	
0.00	1,042.80	0.00	1,042.80	
192.75	0.00	0.00	0.00	
143.86	19.46	0.00	19.46	
2,904.85	270.64	0.00	270.64	
909.24	973.38	0.00	973.38	
0.00	443.94	0.00	443.94	
0.00	49.21	0.00	49.21	
85.00	130.46	0.00	130.46	
104.80	0.00	0.00	0.00	
133.00	0.00	0.00	0.00	
9,676.33	0.00	0.00	0.00	
2,753.65	0.00	0.00	0.00	
0.00	1,282.23	0.00	1,282.23	
0.00	25.00	0.00	25.00	
289.96	3,223.08	0.00	3,223.08	
149.29	1,913.64	0.00	1,913.64	
256.84	43.16	0.00	43.16	
<u>6,929.50</u>	<u>824.71</u>	<u>0.00</u>	<u>824.71</u>	
 71,076.23	 17,583.33	 0.00	 17,583.33	

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts
Stafford Elementary School:			
Activity Tickets	0.00	0.00	263.00
Fees	0.00	0.00	35,827.91
Vocational Agriculture	0.00	0.00	57.00
Yearbook	0.00	0.00	310.00
Industrial Arts	0.00	0.00	19.00
Home Economics RA	0.00	0.00	57.00
Student Fund	1,690.00	0.00	5,861.81
STARS Fundraiser	376.88	0.00	1,272.15
Music books	0.00	0.00	9.00
Sales Tax	24.29	0.00	0.00
Interest	0.00	0.00	13.74
Petty cash	0.00	0.00	3,618.08
OWLS Grant	294.17	0.00	31.42
Reading Counts Grant	546.67	0.00	447.78
Comm. Dental Health Fund	590.58	0.00	0.00
Wolf Creek 2007 Grant for Excellence	912.16	0.00	0.00
South Central Comm. Foundation Grant	16.62	0.00	408.28
Crisis Bag Grant-GBCF	51.30	0.00	0.00
Fall 2012 Mini Grant	0.00	0.00	500.00
BCBS Grants	366.52	0.00	1,000.00
Golden Belt Grants	268.00	0.00	200.00
YSA Running Grant	262.32	0.00	0.00
Total Stafford Elementary School	<u>5,399.51</u>	<u>0.00</u>	<u>49,896.17</u>
Total District Activity Funds	<u>\$ 21,960.99</u>	<u>\$ 0.00</u>	<u>\$ 121,994.25</u>

See Independent Auditor's Report.

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Schedule 4</u>
			<u>Ending Cash Balance</u>
263.00	0.00	0.00	0.00
35,844.61	(16.70)	0.00	(16.70)
57.00	0.00	0.00	0.00
310.00	0.00	0.00	0.00
19.00	0.00	0.00	0.00
57.00	0.00	0.00	0.00
5,883.35	1,668.46	0.00	1,668.46
926.42	722.61	0.00	722.61
9.00	0.00	0.00	0.00
0.00	24.29	0.00	24.29
13.74	0.00	0.00	0.00
3,571.08	47.00	0.00	47.00
325.59	0.00	0.00	0.00
255.48	738.97	0.00	738.97
0.00	590.58	0.00	590.58
0.00	912.16	0.00	912.16
277.80	147.10	0.00	147.10
0.00	51.30	0.00	51.30
488.86	11.14	0.00	11.14
113.49	1,253.03	0.00	1,253.03
174.57	293.43	0.00	293.43
262.32	0.00	0.00	0.00
<u>48,852.31</u>	<u>6,443.37</u>	<u>0.00</u>	<u>6,443.37</u>
<u>\$ 119,928.54</u>	<u>\$ 24,026.70</u>	<u>\$ 0.00</u>	<u>\$ 24,026.70</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Direct Program:	DO349		
Small Rural School Grant Program	(2013/2014)	84.358A	\$ 8,745.00
Passed Through State Department of Education:			
Title I Grants to LEA's	(2013/2014)	84.010	75,579.00
Total Title I Grants to LEA's			
Career and Technical Education	(2013/2014)	84.048	75,000.00
Total Career and Technical Education			
Twenty-First Century Community Learning Centers	(2012/2013)	84.287	147,411.00
Twenty-First Century Community Learning Centers.	(2013/2014)	84.287	89,090.00
Total Twenty-First Century Community Learning Centers			
Improving Teacher Quality State Grants	(2013/2014)	84.367	16,872.00
Total Improving Teacher Quality State Grants			
<u>CORP. FOR NATIONAL AND COMMUNITY SERVICE</u>			
Passed Through State Department of Education:			
State Commissions	(2013/2014)	94.003	500.00
Total State Commissions			
<u>FEDERAL EMERGENCY MANAGMENT AGENCY</u>			
Hazard Mitigation Grant - Phase 1	(2012/2013)	97.039	47,539.00
Hazard Mitigation Grant - Phase 1	(2013/2014)	97.039	326,196.00
Total Federal Emergency Management Agency			

See Independent Auditor's Report.

Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
\$ 0.00	\$ 0.00	\$ 8,745.00	\$ 8,745.00	\$ 0.00
0.00	0.00	8,745.00	8,745.00	0.00
0.00	0.00	75,579.00	75,579.00	0.00
0.00	0.00	75,579.00	75,579.00	0.00
0.00	0.00	75,000.00	75,000.00	0.00
0.00	0.00	75,000.00	75,000.00	0.00
51,732.00	0.00	0.00	51,732.00	0.00
0.00	0.00	89,090.00	80,459.61	8,630.39
51,732.00	0.00	89,090.00	132,191.61	8,630.39
0.00	0.00	16,872.00	16,872.00	0.00
0.00	0.00	16,872.00	16,872.00	0.00
0.00	0.00	500.00	500.00	0.00
0.00	0.00	500.00	500.00	0.00
0.00	0.00	12,107.13	12,107.13	0.00
0.00	0.00	326,196.00	326,196.00	0.00
0.00	0.00	338,303.13	338,303.13	0.00

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Agency or Pass-Through Number</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education:			
School Breakfast Program	(2013/2014)	10.553	23,463.23
Total School Breakfast Program			
National School Lunch Program	(2013/2014)	10.555	83,601.92
Cash for Commodities (Schools)	(2013/2014)	10.555	7,556.72
Total National School Lunch Program			
Summer Food Service Program for Children	(2013/2014)	10.559	6,863.36
Total Summer Food Service Program for Children			
Team Nutrition Grants	(2013/2014)	10.574	1,370.00
Total Team Nutrition Grants			
Fresh Fruit and Vegetable Program	(2013/2014)	10.582	4,042.72
Total Fresh Fruit and Vegetable Program			
TOTAL FEDERAL GRANTS			

See Independent Auditor's Report.

<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
<u>0.00</u>	<u>0.00</u>	<u>23,463.23</u>	<u>23,463.23</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>23,463.23</u>	<u>23,463.23</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>83,601.92</u>	<u>83,601.92</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>7,556.72</u>	<u>7,556.72</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>91,158.64</u>	<u>91,158.64</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>6,863.36</u>	<u>6,863.36</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>6,863.36</u>	<u>6,863.36</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>1,370.00</u>	<u>1,370.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>1,370.00</u>	<u>1,370.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>4,042.72</u>	<u>4,042.72</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>4,042.72</u>	<u>4,042.72</u>	<u>0.00</u>
<u>\$ 51,732.00</u>	<u>\$ 0.00</u>	<u>\$ 730,987.08</u>	<u>\$ 774,088.69</u>	<u>\$ 8,630.39</u>

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2014

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a select portion of the operations of the District, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of the District.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule of Expenditures of Federal awards are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG).

NOTE C. SUBRECIPIENTS

The District did not provide federal awards to subrecipients for the year ended June 30, 2014.

Special Reports

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Unified School District No. 349
Stafford, Kansas 67578

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Unified School District No. 349 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which comprise the District's regulatory basis financial statements, and have issued our report thereon dated February 27, 2015. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal controls) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. See 2014-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District response was not subjected to auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Agler & Gaeddert, Chartered". The script is cursive and fluid, with the ampersand being particularly stylized.

Agler & Gaeddert, Chartered
February 27, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Unified School District No. 349
Stafford, Kansas 67578

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 349's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Agler & Gaeddert, Chartered". The script is cursive and fluid, with the company name clearly legible.

Agler & Gaeddert, Chartered
February 27, 2015

UNIFIED SCHOOL DISTRICT NO. 349, STAFFORD, KANSAS
Schedule of Findings and Responses
For the Year Ended June 30, 2014

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting

Material weakness(es) identified? Yes

Significant deficiencies identified not considered to be material weaknesses: None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified not considered to be material weaknesses: No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
97.039	Federal Emergency Management Agency	\$ 338,303.13
84.010	Federal Family Education Loans	75,579.00

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as a low-risk auditee? No

2014-1 Finding

Condition: For activity funds which receive cash receipts there is only one person who receives the cash, makes the deposit and records the cash on the books.

Criteria: Duties should be separated in order to serve as a cross check for these types of transactions

Cause: Limited staff has made it difficult to segregate duties.

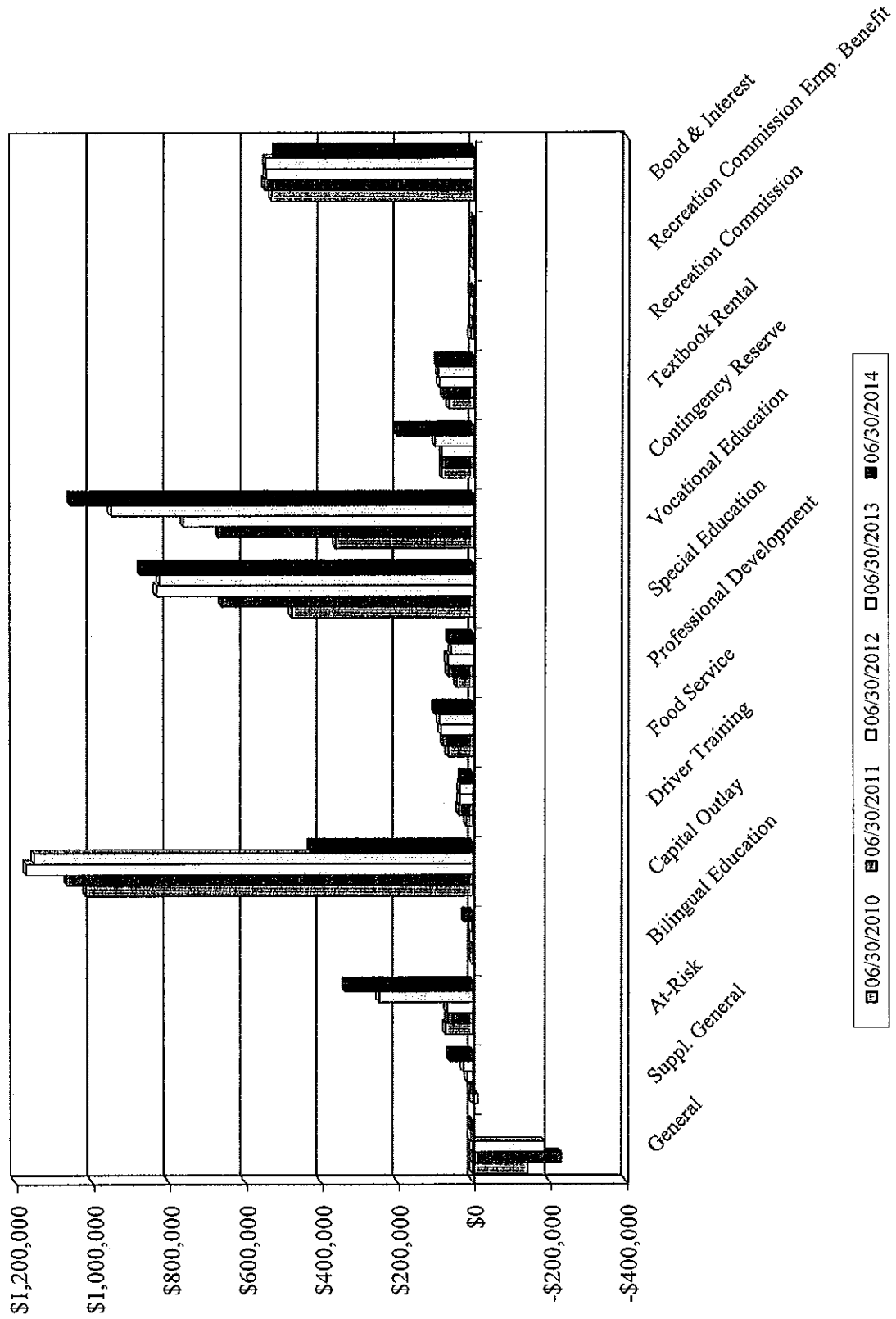
Effect: At one of the sites where cash is collected there have been discrepancies in deposits made to the bank.

Recommendation: Although a complete separation of duties may not be possible, having at least two people involved - one who collects and one who records and deposits cash would allow for some cross check. Each person in this scenario would have to report to a third person or the Board

Response: We will implement the above recommendation.

SUPPLEMENTARY INFORMATION

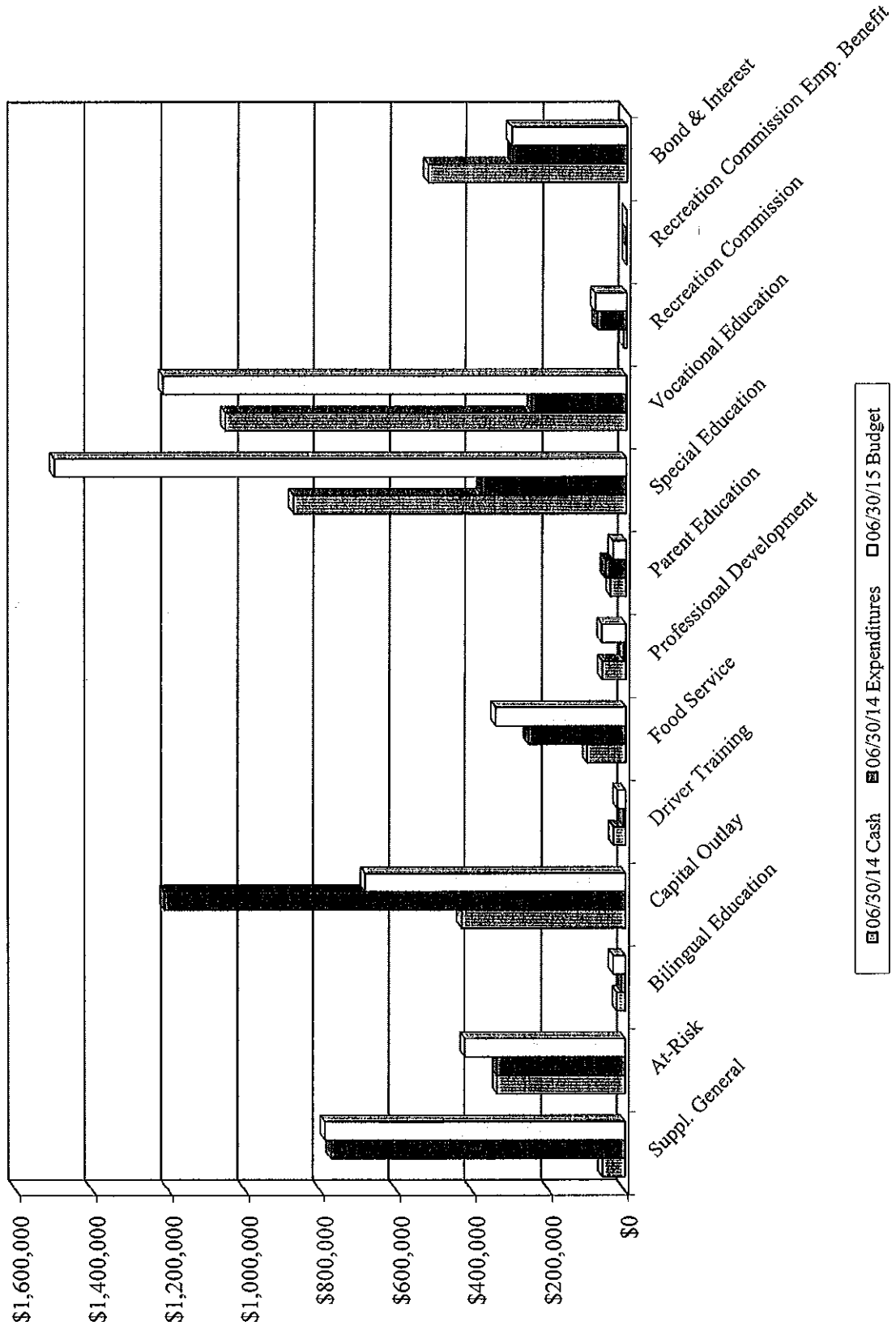
**Unified School District No. 349
Stafford, Kansas
Unencumbered Cash Balances - Selected Funds**



See Independent Auditor's Report.

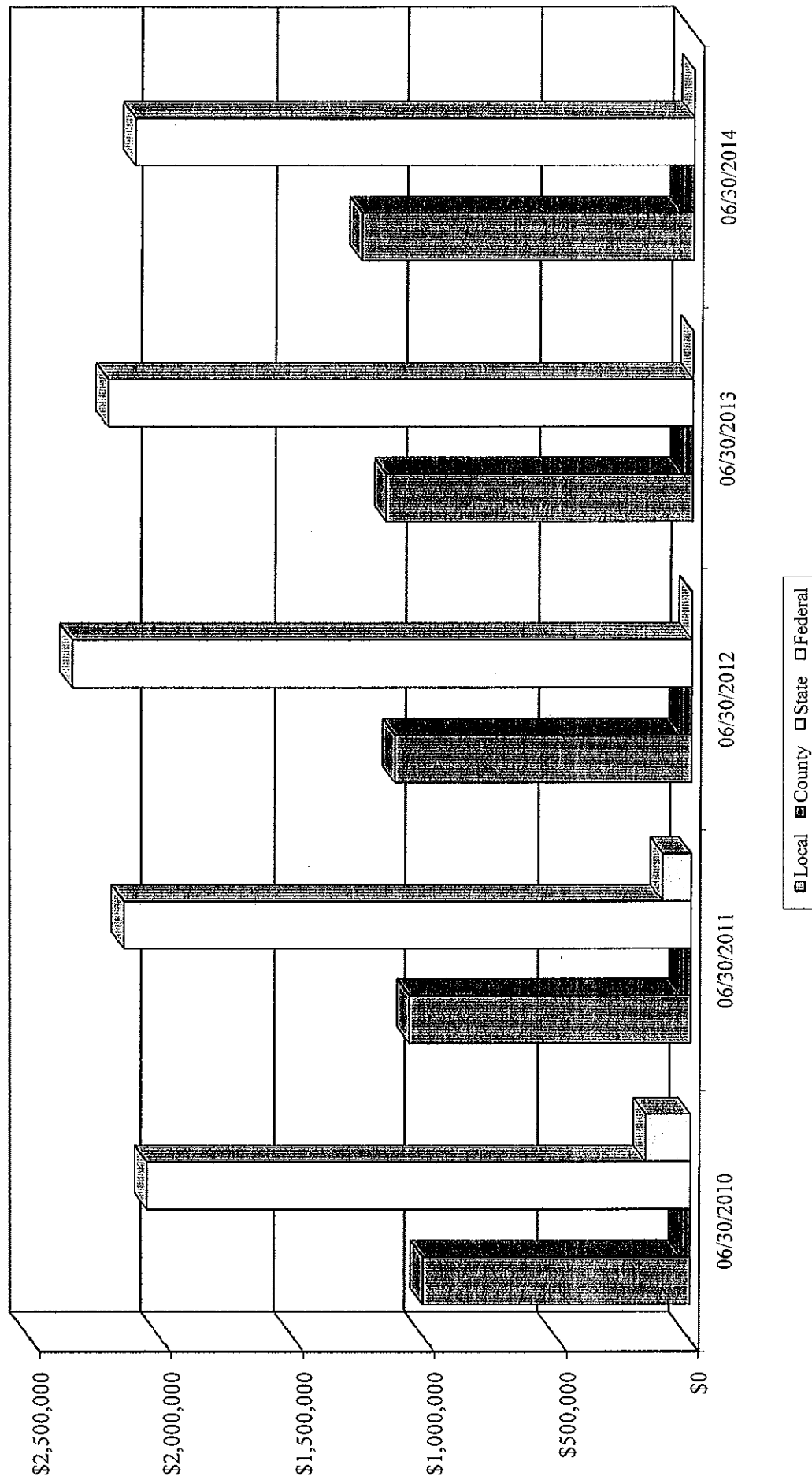
Unified School District No. 349
Stafford, Kansas

Unencumbered Cash Compared to Expenditures - Selected Funds



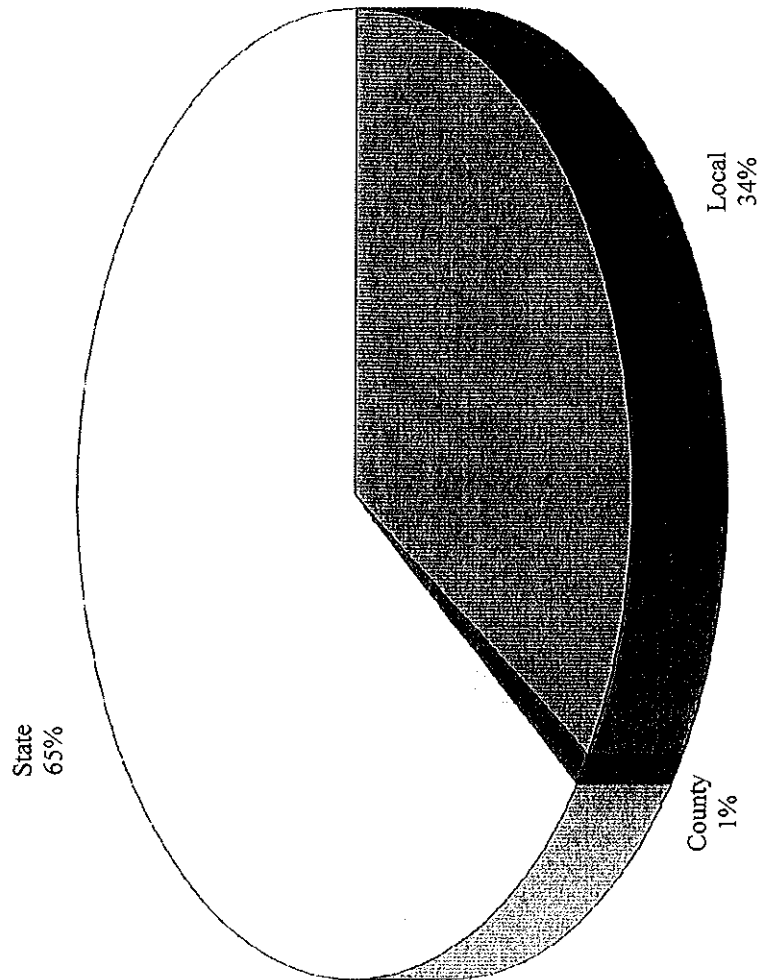
See Independent Auditor's Report.

**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Receipts**



See Independent Auditor's Report.

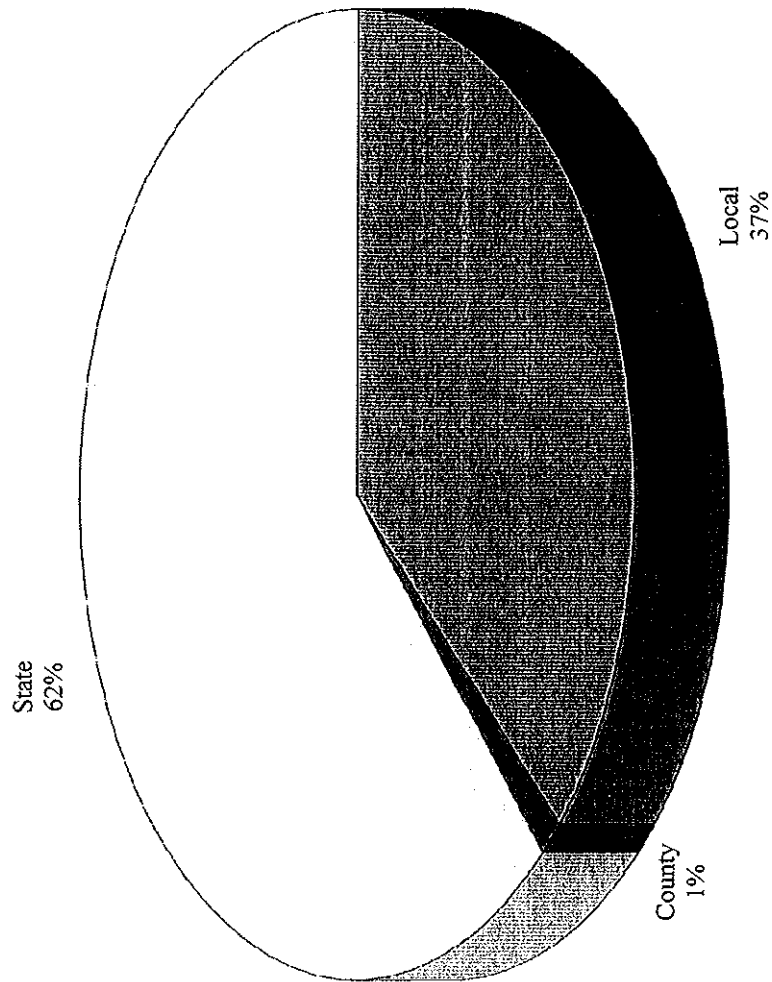
**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Receipts**



06/30/2013

See Independent Auditor's Report.

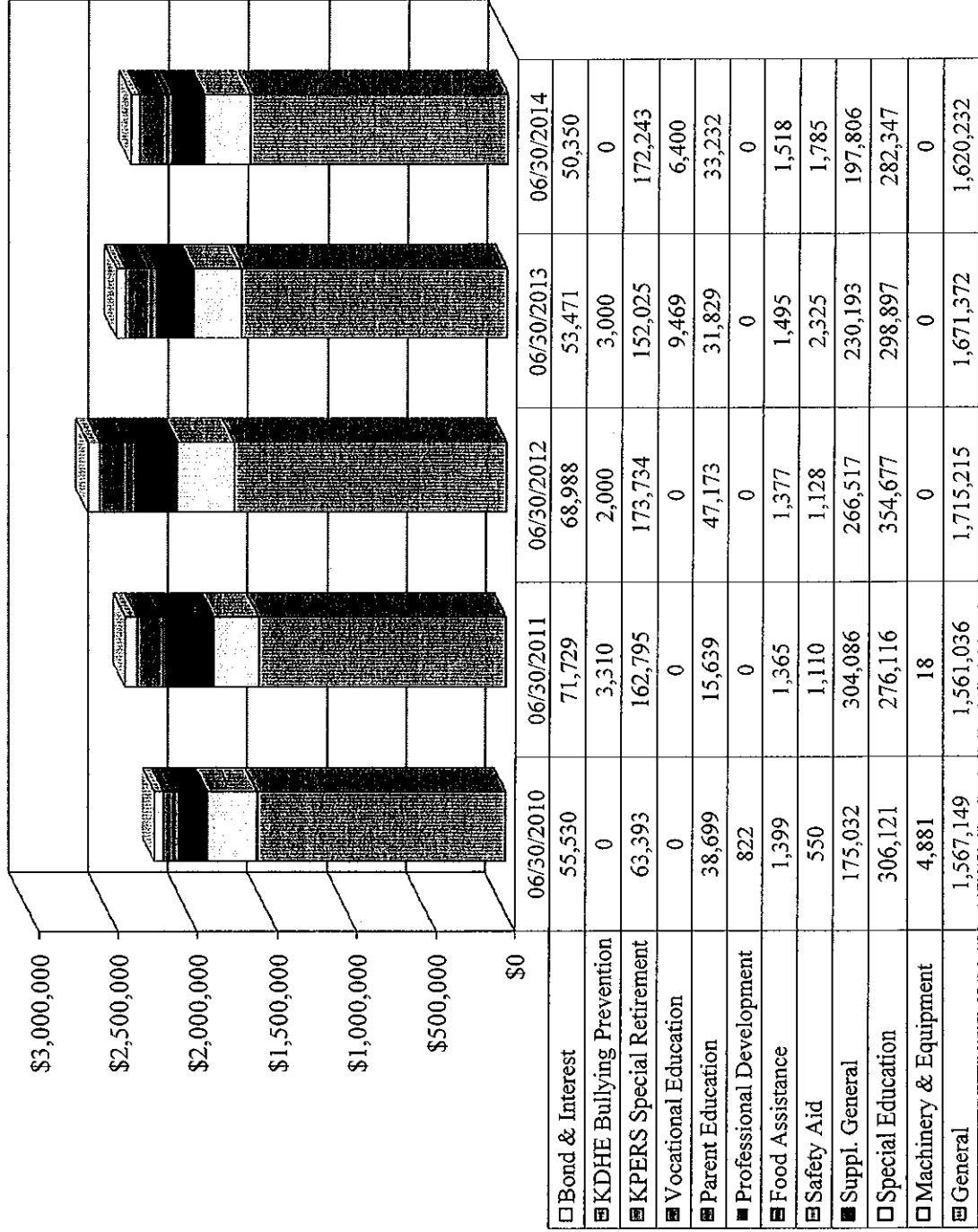
**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Receipts**



06/30/2014

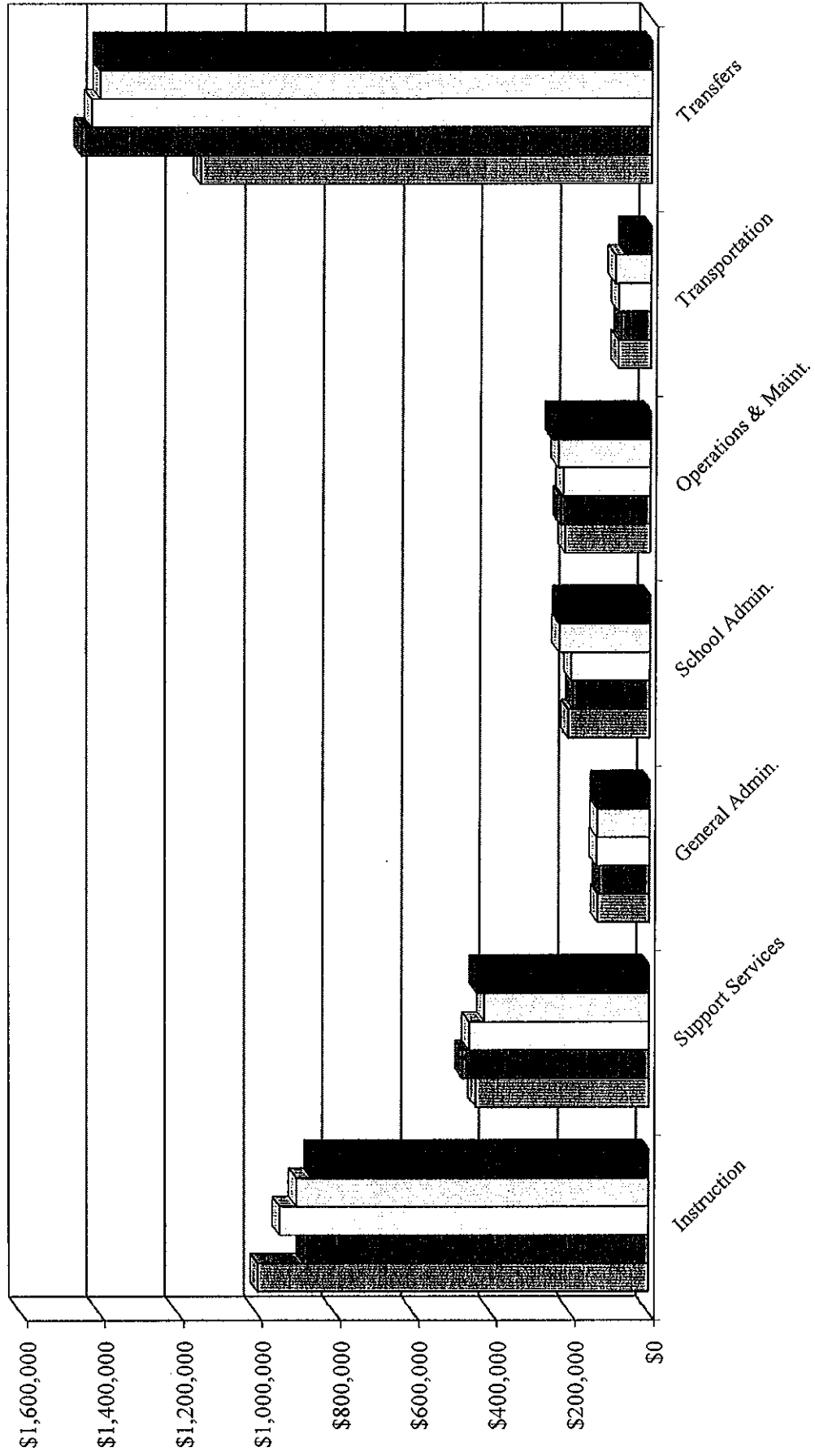
See Independent Auditor's Report.

**Unified School District No. 349
Stafford, Kansas
State Aid**



See Independent Auditor's Report.

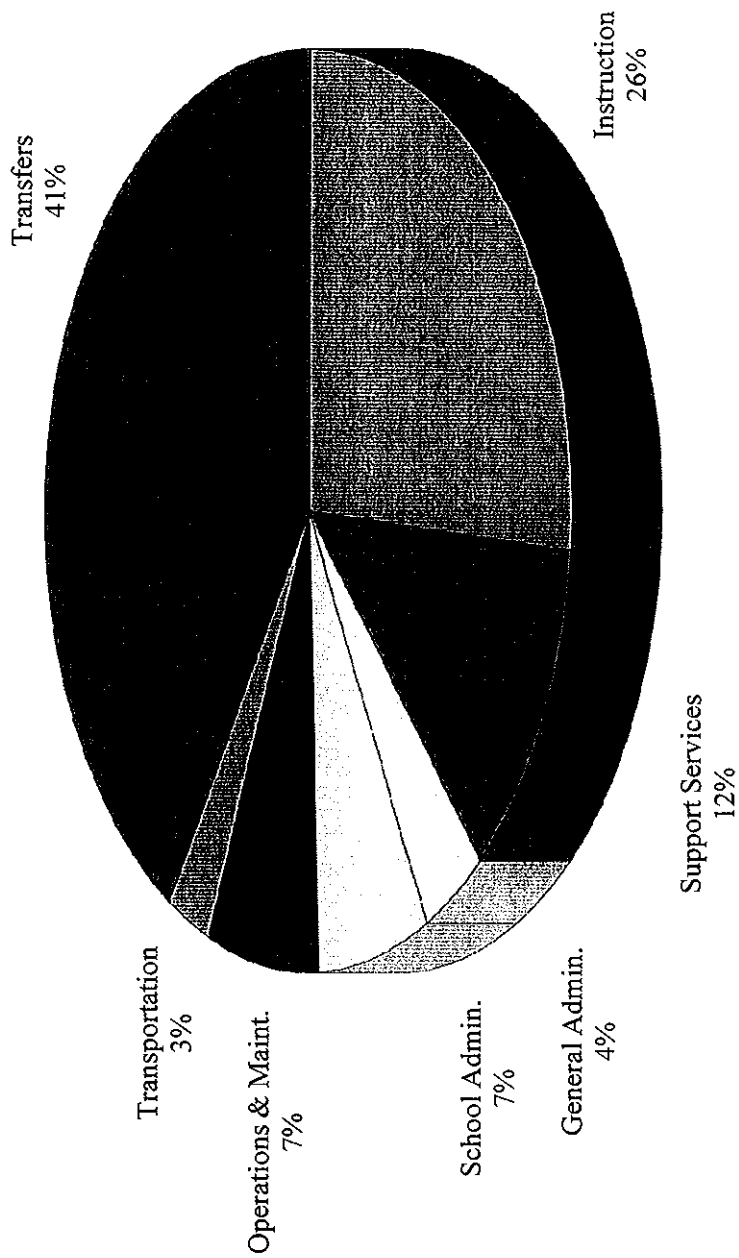
**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Expenditures**



☐ 06/30/2010
 ☐ 06/30/2011
 ☐ 06/30/2012
 ☐ 06/30/2013
 ☐ 06/30/2014
 ☐ 06/30/2015

See Independent Auditor's Report.

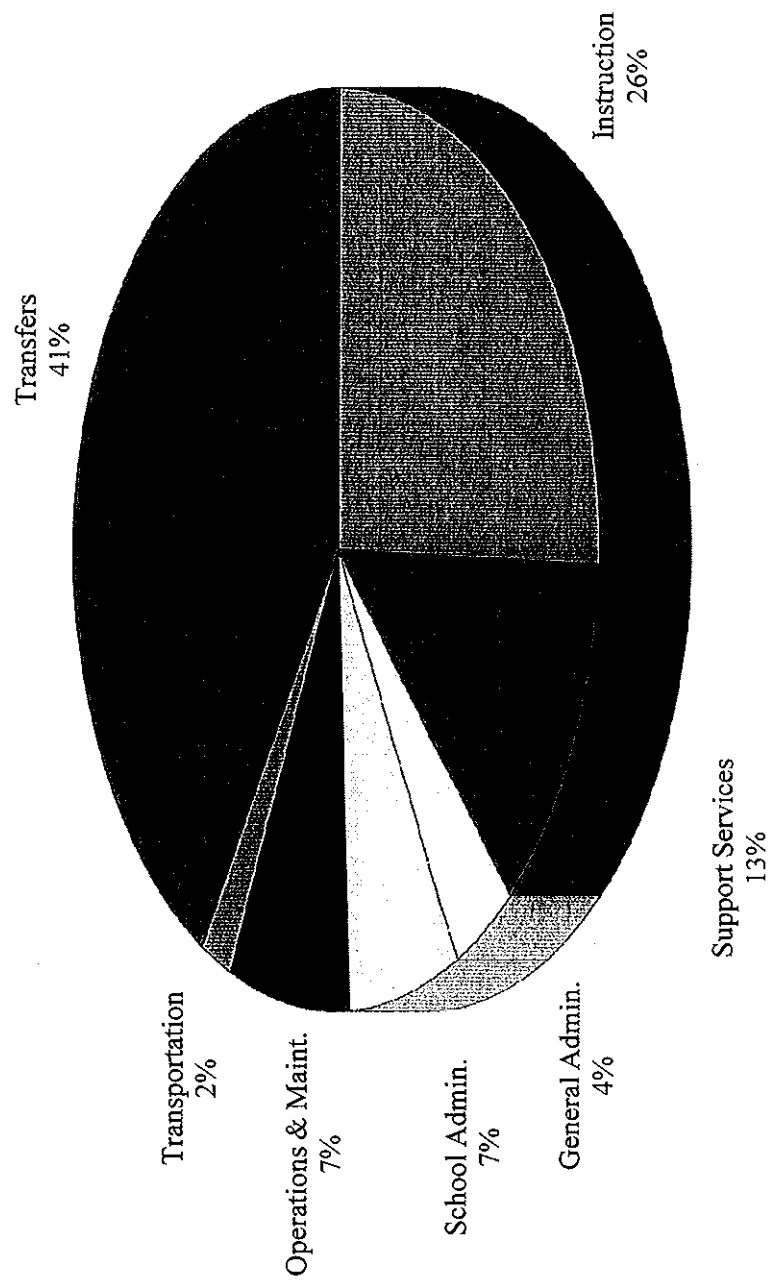
**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Expenditures**



06/30/2013

See Independent Auditor's Report.

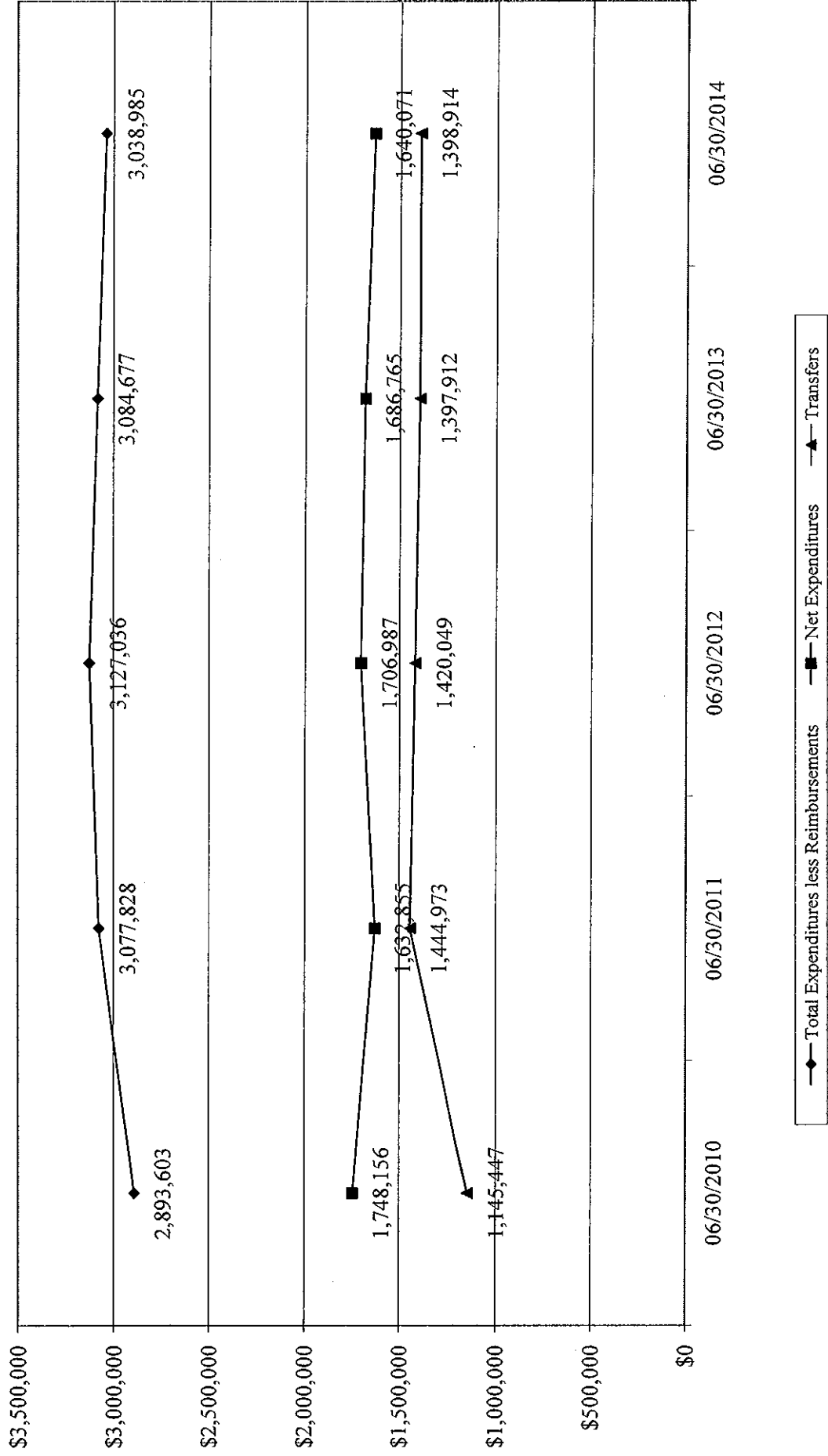
**Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Expenditures**



06/30/2014

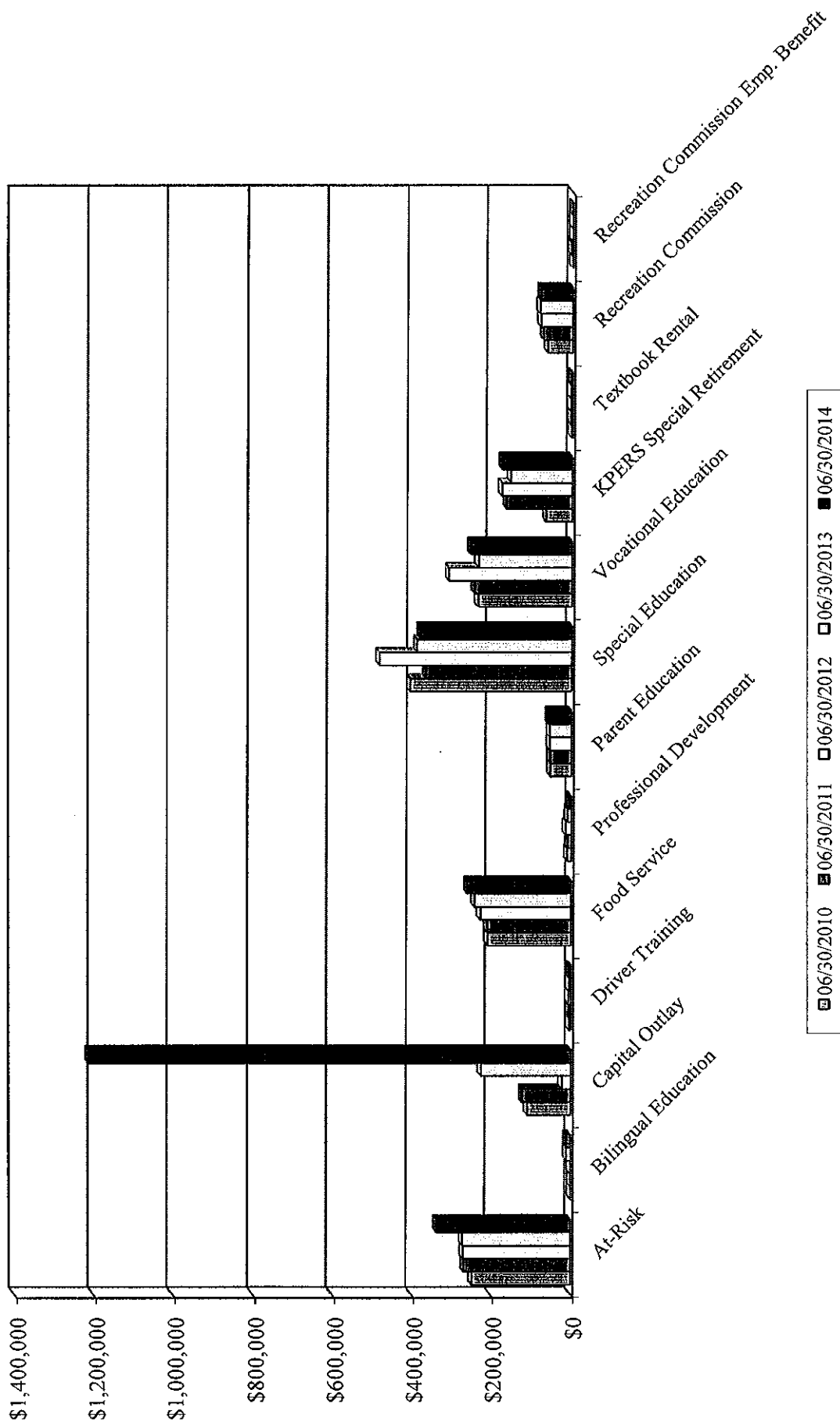
See Independent Auditor's Report.

Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund Expenditures



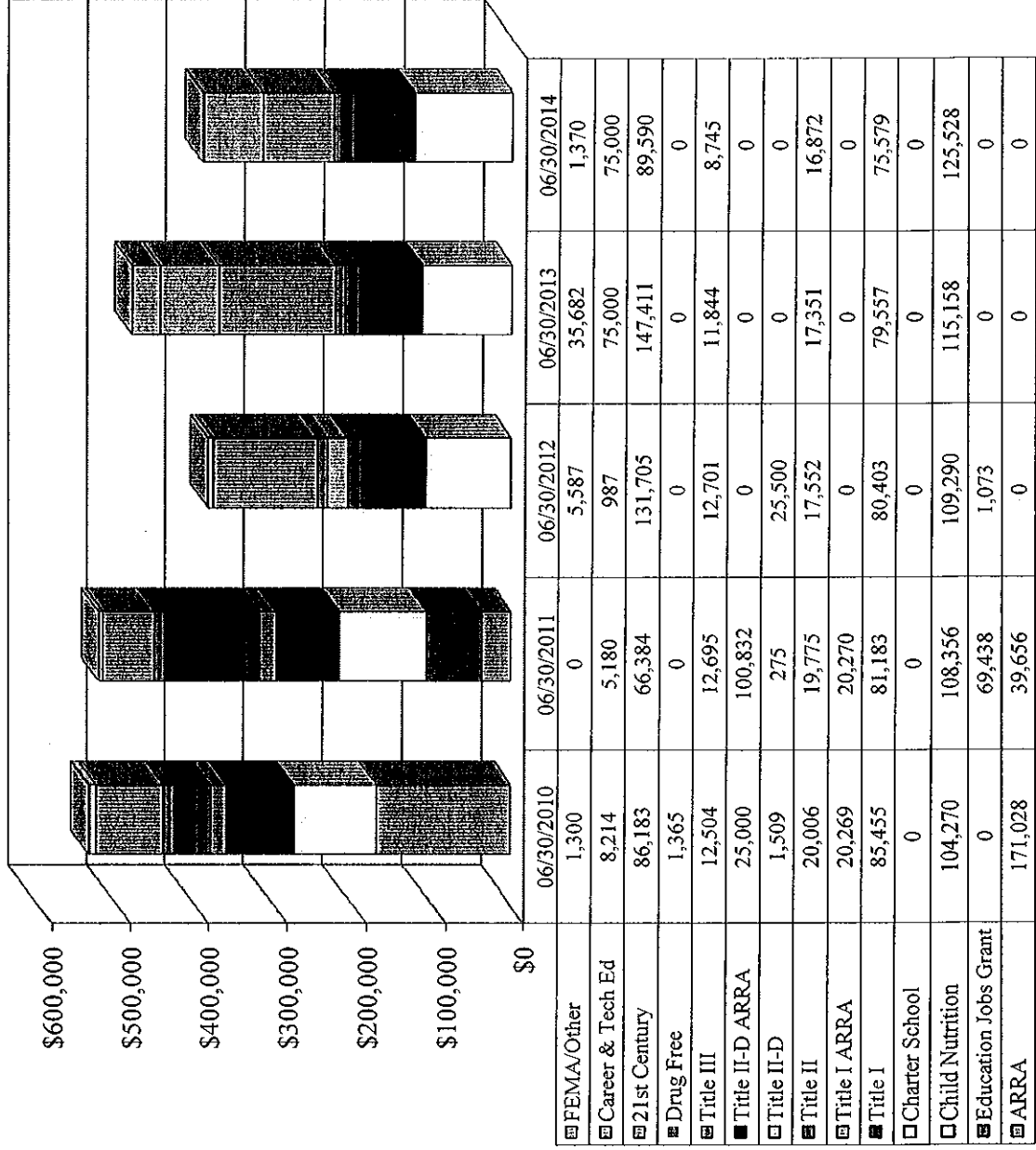
See Independent Auditor's Report.

**Unified School District No. 349
Stafford, Kansas
Special Purpose Fund Expenditures - Selected Funds**



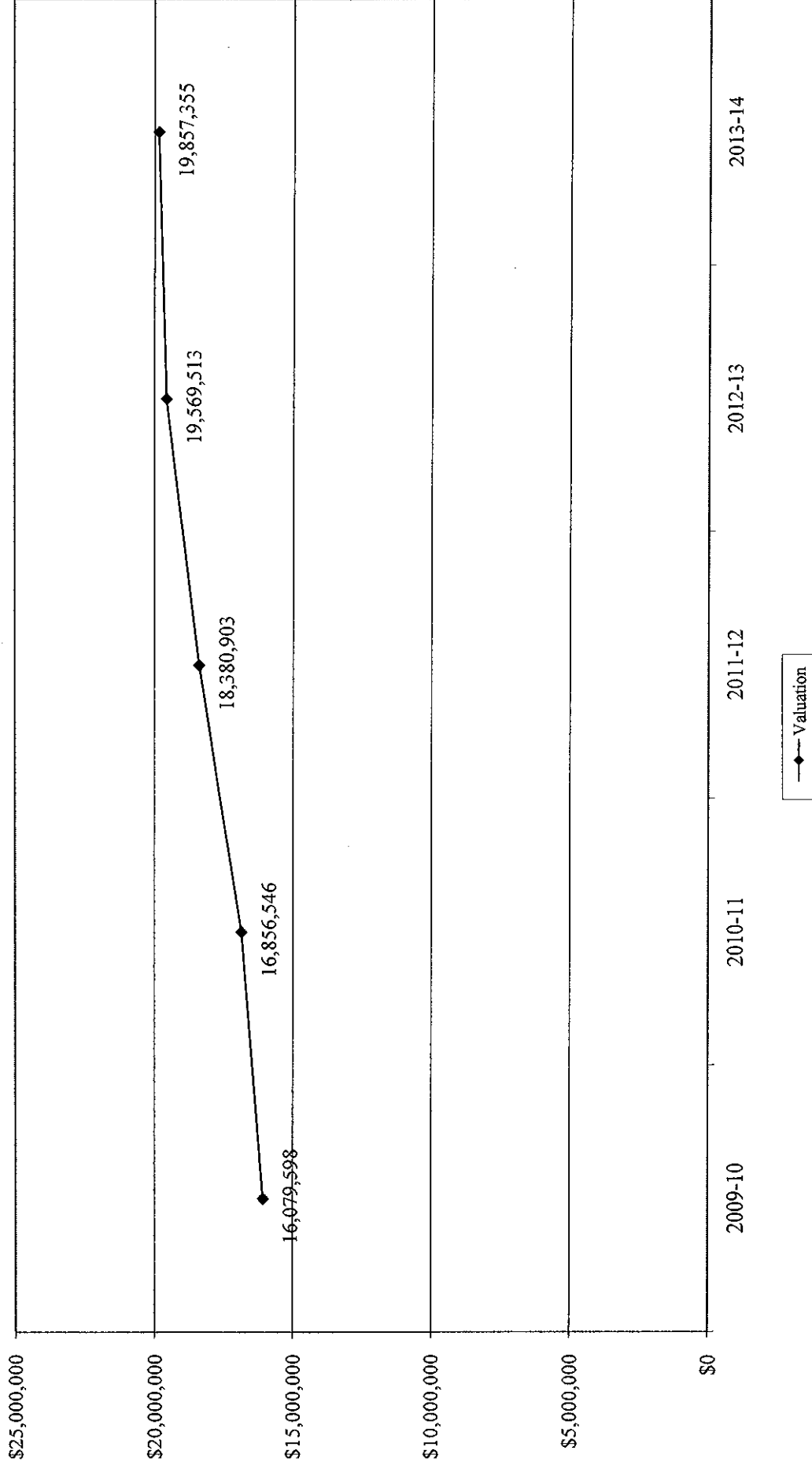
See Independent Auditor's Report.

**Unified School District No. 349
Stafford, Kansas
Federal Aid**



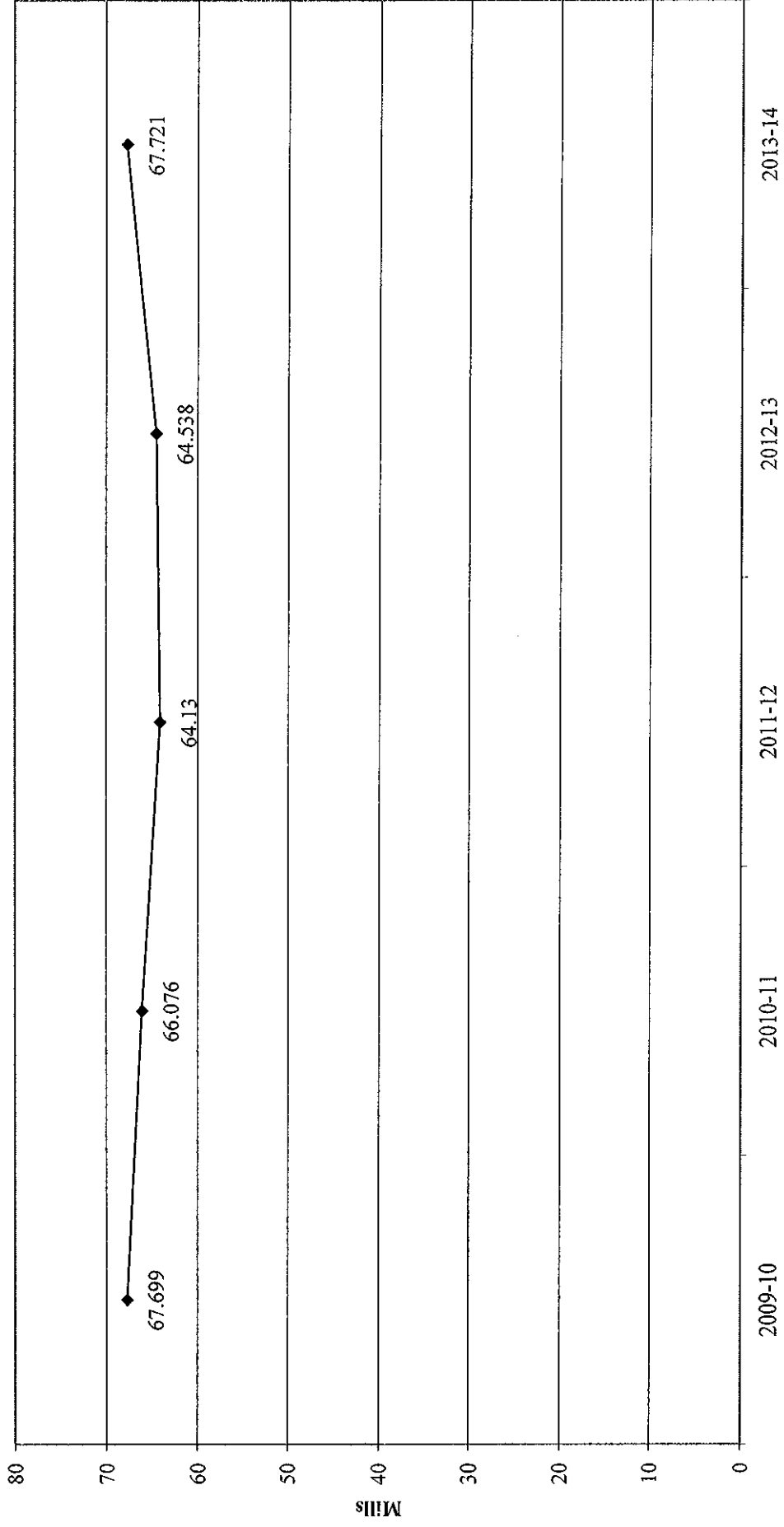
See Independent Auditor's Report.

**Unified School District No. 349
Stafford, Kansas
Valuation**



See Independent Auditor's Report.

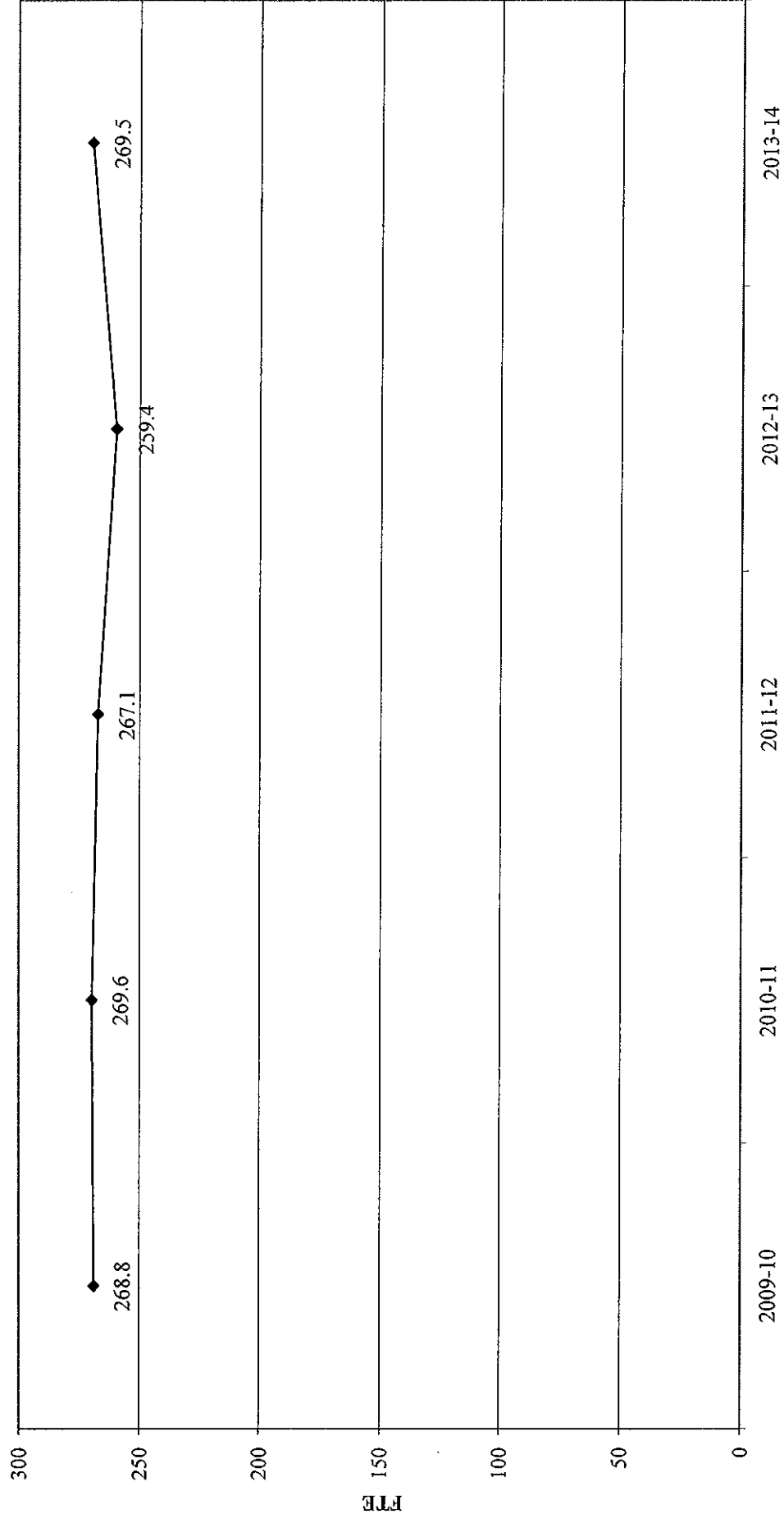
**Unified School District No. 349
Stafford, Kansas
Mill Rate**



—◆— Mill Rate

See Independent Auditor's Report.

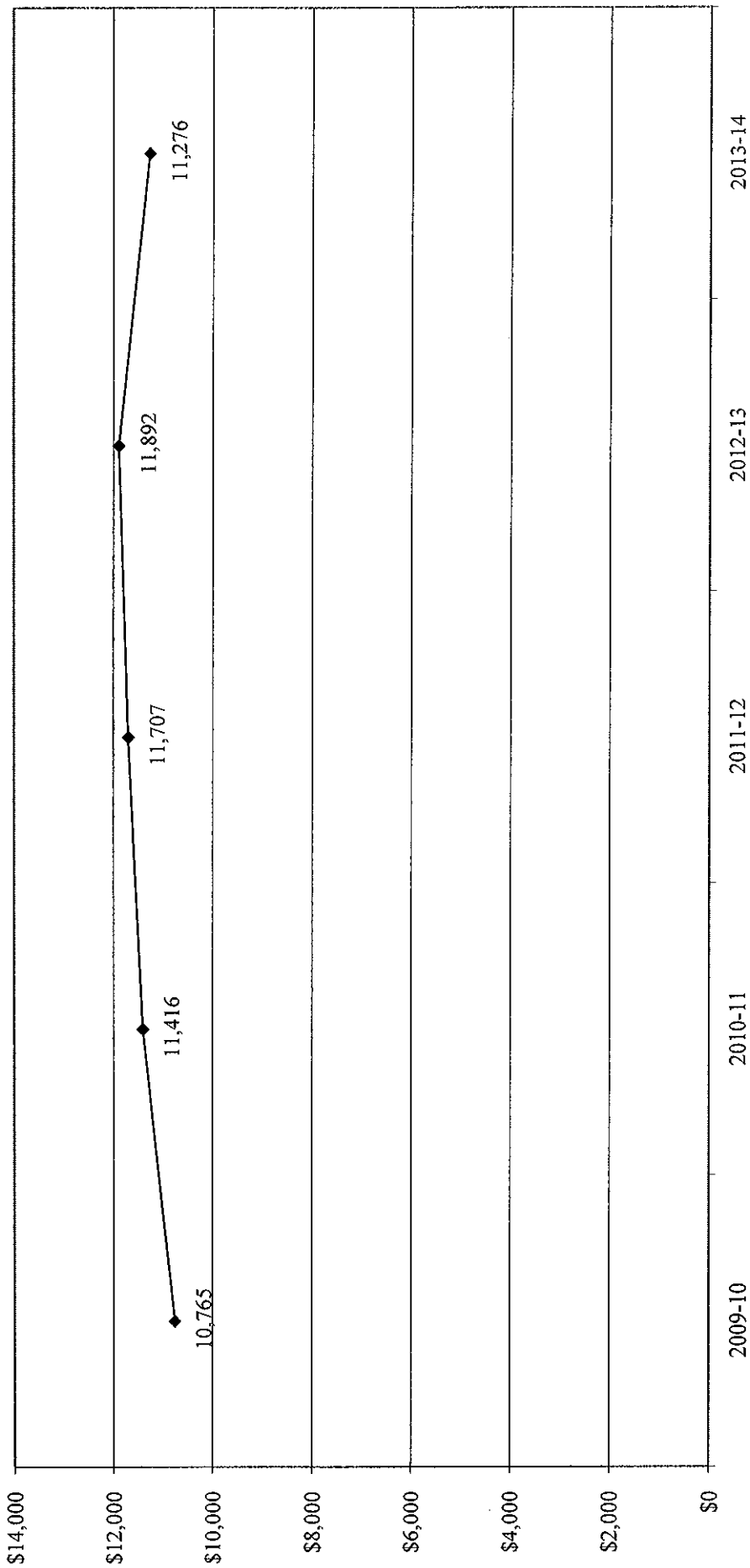
Unified School District No. 349
Stafford, Kansas
FTE



—◆— FTE

See Independent Auditor's Report.

Unified School District No. 349
Stafford, Kansas
General & Supplemental General Fund
Expenditures per Pupil



—◆— Expenditures per Pupil

See Independent Auditor's Report.